

THIS MORTGAGE, Made this 6th day of May 1980  
by Robert J. Krusmark and Wilma J. Krusmark, husband and wife,  
to Ralph C. Wagy, Mortgagor,

WITNESSETH, That said mortgagor, in consideration of TWENTY THOUSAND DOLLARS (\$20,000.00) ~~DEED~~ to him paid by said mortgagee, does hereby grant, bargain, sell and convey unto said mortgagee, his heirs, executors, administrators and assigns, that certain real property situated in Klamath County, State of Oregon, bounded and described as follows, to-wit:

All of the following-described real property situated in Klamath County,  
Oregon:

Beginning at a point on the north right of way line of the County road known as Hilyard Avenue, 30 feet North and at right angles from the centerline of Hilyard Avenue, this point of beginning being North 0 degrees 04' West a distance of 30 feet and North 89 degrees 56' East a distance of 514.1 feet from the iron axle which marks the quarter corner common to Sections 1 and 12 in Township 39 South, Range 9 E.W.M., thence North 29 degrees 06' East and along the line of property conveyed to Edward D. and Ester V. Ault by deed recorded in Volume 252, page 435 of Klamath County Deed Records, a distance of 552.6 feet, more or less, to the Southerly right of way line of the Dalles-California State Highway; thence North 46 degrees 09' West along said right of way line a distance of 334.2 feet to a point; thence South 43 degrees 51' West a distance of 405.8 feet to a point; thence South 3 degrees 24' East a distance of 415 feet, more or less, to the North line of said Hilyard Avenue; thence North 89 degrees 56' East along said North line of Hilyard Avenue a distance of 230 feet to the point of beginning, and containing 5.30 acres, more or less. EXCEPT therefrom that portion conveyed to State of Oregon by instrument recorded June 19, 1972, in Volume M72, Page 6558.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and which may hereafter thereto belong or appertain, and the rents, issues and profits therefrom, and any and all fixtures upon said premises at the time of the execution of this mortgage or at any time during the term of this mortgage.

TO HAVE AND TO HOLD the said premises with the appurtenances unto the said mortgagee, his heirs, executors, administrators and assigns forever.

This mortgage is intended to secure the payment of a promissory note, attached hereto, and to secure the performance of the obligations of the mortgagor under the promissory note.

The date of maturity of the debt secured by this mortgage is the date on which the last scheduled principal payment becomes due, to-wit: May 6, 1981.

The mortgagor warrants that the proceeds of the loan represented by the above described note and this mortgage are:

(b) for an organization, (even if mortgagor is a natural person) are for business or commercial purposes other than agricultural purposes.

This mortgage is inferior, secondary and made subject to a prior mortgage on the above described real estate made by \_\_\_\_\_

Robert J. Krusmark, and Wilma J. Krusmark, husband and wife,  
First Federal Savings and Loan Association of  
to Klamath Falls  
19 76 and recorded in the mortgage records of the above named county in Volume M-76 dated March 23,  
1976, at page 4256 thereof, ~~do hereby~~  
~~whereby~~ ~~being made;~~ the said first mortgage was given to secure a note for the principal sum of \$ 30,000.00 ; the unpaid  
principal balance thereof on the date of the execution of this instrument is \$ 27,713.37 and no more; interest thereon is paid  
to LA N & S ; said prior mortgage and the obligations secured thereby hereinafter, for brevity, are called  
simply "first mortgage".

The mortgagor covenants to and with the mortgagee, his heirs, executors, administrators and assigns, that he is lawfully seized in fee simple of said premises; that the same are free from all encumbrances except said first mortgage and further except those items listed on a May 1, 1980 preliminary title insurance policy by Klamath County Title Company and numbered 1,2,3,4,5,6,8,9,10, and 11 and that he will warrant and forever defend the same against all persons; further, that he will do and perform all things required of him and pay all obligations due or to become due under the terms of said first mortgage as well as the note secured hereby, principal and interest, according to the terms thereof; that while any part of the note secured hereby remains unpaid he will pay all taxes, assessments and other charges of every nature which may be levied or assessed against said property, or this mortgage or the note secured hereby, when due and payable and before the same become delinquent; that he will promptly pay and satisfy any and all liens or encumbrances that are or may become liens on the premises or any part thereof superior to the lien of this mortgage; that he will keep the buildings now on or which hereafter may be erected on the said premises continuously insured against loss or damage by fire

and such other hazards as the mortgagee may from time to time require, in an amount not less than full insurable value in a company or companies acceptable to the mortgagee herein, with loss payable, first to the holder of the said first mortgage; second, to the mortgagee named herein and then to the mortgagor as their respective interests may appear; all policies of insurance shall be delivered to the holder of the said first mortgage as soon as insured and a certificate of insurance executed by the company in which said insurance is written, showing the amount of said coverage, shall be delivered to the mortgagee named in this instrument. Now if the mortgagor shall fail for any reason to procure any such insurance, and to deliver said policies as aforesaid at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, the mortgagee may procure the same at mortgagor's expense; that the mortgagor will keep the buildings and improvements on said premises in good repair and will not commit or suffer any waste of said premises. In the event any personal property is part of the security for this mortgage, then at the request of the mortgagee, the mortgagor shall join with the mortgagee in executing one or more financing statements pursuant to the Uniform Commercial Code, in form satisfactory to the mortgagee, and will pay for filing the same in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the mortgagee.

Now, therefore, if said mortgagor shall keep and perform the covenants herein contained and shall pay all obligations secured by said first mortgage as well as the note secured hereby according to its terms, this conveyance shall be void, but otherwise shall remain in full force as a mortgage to secure the performance of all of said covenants and the payments of the note secured hereby; it being agreed that a failure to perform any covenant herein, or if a proceeding of any kind be taken to foreclose any lien on said premises or any part thereof, the mortgagee shall have the option to declare the whole amount unpaid on said note or on this mortgage at once due and payable, and this mortgage may be foreclosed at any time thereafter. And if the mortgagor shall fail to pay any taxes or charges or any lien, encumbrance or insurance premium as above provided for, or fail to do or perform anything required of him by said first mortgage, the mortgagee herein, at his option, shall have the right to make such payments and to do and perform the acts required of the mortgagor under said first mortgage; and any payment so made, together with the cost of such performance shall be added to and become a part of the debt secured by this mortgage, and shall bear interest at the same rate as the note secured hereby without waiver, however, of any right arising to the mortgagee for breach of covenant. And this mortgage may be foreclosed for principal, interest and all sums paid by the mortgagee at any time while the mortgagor neglects to repay any sums so paid by the mortgagee. In the event of any suit or action being instituted to foreclose this mortgage, the mortgagor agrees to pay all reasonable costs incurred by the mortgagee for title reports and title search, all statutory costs and disbursements and such further sum as the trial court may adjudge reasonable as plaintiff's attorney's fees in such suit or action, and if an appeal is taken from any judgment or decree entered therein, mortgagor further promises to pay such sum as the appellate court shall adjudge reasonable as plaintiff's attorney's fees on such appeal, all such sums to be secured by the lien of this mortgage and included in the decree of foreclosure.

Each and all of the covenants and agreements herein contained shall apply to and bind the heirs, executors, administrators and assigns of said mortgagor and of said mortgagee respectively.

In case suit or action is commenced to foreclose this mortgage, the Court may, upon motion of the mortgagee, appoint a receiver to collect the rents and profits arising out of said premises during the pendency of such foreclosure, and apply the same, after first deducting all of said receiver's proper charges and expenses, to the payment of the amount due under this mortgage.

In construing this mortgage, it is understood that the mortgagor or mortgagee may be more than one person; that if the context so requires, the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine and the neuter, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

IN WITNESS WHEREOF, said mortgagor has hereunto set his hand the day and year first above written.

*Robert J. Krusmark*  
Robert J. Krusmark

*Wilma J. Krusmark*  
Wilma J. Krusmark

\*IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable. If warranty (a) is applicable and if the mortgagee is a creditor, as such word is defined in the Truth-in-Lending Act and Regulation Z, the mortgagee MUST comply with the Act and Regulation by making required disclosures; for this purpose, use Stevens-Ness Form No. 1306 or similar.

STATE OF OREGON,

County of Klamath } ss.

BE IT REMEMBERED, That on this 6th day of May, 1980, before me, the undersigned, a notary public in and for said county and state, personally appeared the within named Robert J. Krusmark and Wilma J. Krusmark

known to me to be the identical individual s described in and who executed the within instrument and acknowledged to me that they executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

*Isabel Rodriguez*  
Notary Public for Oregon.  
My Commission expires 4-12-83

## SECOND MORTGAGE

(FORM No. 923)

Robert J. & Wilma J. Krusmark

TO

Ralph C. Wagy  
335 NE Chambers Ct.; Newport, OR

AFTER RECORDING RETURN TO  
Ralph C. Wagy  
335 NE Chambers Ct.  
Newport, OR 97365

DATE RECEIVED  
FOR  
RECORDER'S USE

STATE OF OREGON,

County of } ss.

I certify that the within instrument was received for record on the day of May, 1980, at o'clock P.M., and recorded in book on page or as file/reel number Record of Mortgages of said County. Witness my hand and seal of County affixed.

Title.

By

Deputy

8357

\$20,000.00

Klamath Falls, OR  
May 6, 1980

Robert J. Krusmark and Wilma J. Krusmark, dba the Sierra Trailer Court, jointly and severally promise to pay to the order of Ralph C. Wagy on May 6, 1981 the sum of TWENTY THOUSAND DOLLARS (\$20,000.00) at 335 NE Chambers Court in Newport, Oregon. The interest on the \$20,000.00 shall be at the rate of 12% per annum from the date hereof until paid. The interest is to be paid simultaneously with the payment of the principal. The obligors expressly agree that this obligation is the obligation of a "business" as that term is used in ORS 82.010(3). Any part hereof may be paid at any time without prepayment penalty. If this note is placed in the hands of an attorney for collection, the obligors promise and agree to pay the holder's reasonable attorney's fees and collection costs, even though no suit or action is filed hereon; if a suit or action is filed, the amount of such reasonable attorney's fees shall be fixed by the court or courts in which the suit or action, including any appeal therein, is tried, heard or decided.

THE SIERRA TRAILER COURT

THE SIERRA TRAILER COURT

By: Robert J. Krusmark  
Robert J. KrusmarkBy: Wilma J. Krusmark  
Wilma J. Krusmark

STATE OF OREGON; COUNTY OF KLAMATH; ss.  
 Filed for record at request of Klamath County Title Co.  
 this 6th day of May A. D. 19 80 at 3:30 o'clock P. M., and  
 duly recorded in Vol. 180, of Mortgages on Page 8355  
Wm D. MILNE, County Clerk  
 By: [Signature]  
 Fee \$10.50