

THIS MORTGAGE, Made this 19 day of May, 1980, by DONALD P. THERIAULT and EUNICE I. THERIAULT, to FRED G. HESS and EDITH M. HESS hereinafter called Mortgagor,

WITNESSETH, That said mortgagor, in consideration of Eight Thousand Eight Hundred Ninety and no/100 (\$8,890.00) Dollars, 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: A tract of land situated in the W $\frac{1}{2}$ NW $\frac{1}{4}$ of Sec.28, Twp.40 S., R.10 E., W.M., more particularly described as follows: Beginning at the West corner of said Sec.28; thence Northerly along the West line of said Sec.28 to its intersection with the Southerly right of way line of the Southern Pacific Railroad; thence Southeasterly along said Southerly right of way line to the Westerly right of way line of the U.S.B.R. 5-H Drain; thence Southwesterly along the said Westerly right of way line to the South line of the W $\frac{1}{2}$ NW $\frac{1}{4}$ of said Sec.28; thence Westerly along said South line to the point of beginning.

This is a second mortgage and is inferior in right to a mortgage given by Mortgagors herein to the Veteran's Administration of the State of Oregon, in amount of \$81,300.00 (IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE SIDE)

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 certain promissory note, described as follows: Dated May 1980, in amount of \$8,890.00, given by Mortgagors herein in favor of Mortgagees herein, payable in annual installments of \$1,295.15 including interest at 7 $\frac{1}{2}$ % per annum on deferred balance, interest to commence on date of closing, May 1980, and first payment to be one year from such date, and on the same day of each year thereafter until principal and interest is paid in full;

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: 19.....

The mortgagor warrants that the proceeds of the loan represented by the above described note and this mortgage are: (a) primarily for mortgagor's personal, family, household or agricultural purposes (see Important Notice below), and said mortgagor covenants to and with the mortgagee, his heirs, executors, administrators and assigns, that he is lawfully seized in fee simple of said premises and has a valid, unencumbered title thereto

and will warrant and forever defend the same against all persons; that he will pay said note, principal and interest according to the terms thereof; that while any part of said note 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 above described, when due and payable and before the same may 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 may be hereafter erected on the premises insured in favor of the mortgagee against loss or damage by fire, with extended coverage, in the sum of \$ full insurable value in a company or companies acceptable to the mortgagee, and will have all policies of insurance on said property made payable to the mortgagee as his interest may appear and will deliver all policies of insurance on said premises as soon as insured; that he will keep the building and improvements on said premises in good repair and will not commit or suffer any waste of said premises. Now, therefore, if said mortgagor shall keep and perform the covenants herein contained and shall pay said note according to its terms, this conveyance shall be void, but otherwise shall remain in full force as the covenants herein contained and shall pay said note according to its terms, it being agreed that a failure to perform any covenant herein, or if proceeding of any kind be taken to foreclose on any lien on said premises and this mortgage may be foreclosed at any time thereafter. And if the whole amount unpaid on said note and on this mortgage at once due and payable, 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 to the payment of the amount due under this mortgage, first deducting all proper charges and expenses attending the execution of said trust.

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.

*IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable, the mortgagee MUST comply with the Truth-in-Lending Act and Regulation Z by making required disclosures; for this purpose, if this instrument is to be a FIRST lien to finance the purchase of a dwelling, use S-N Form No. 1305 or equivalent; if this instrument is NOT to be a first lien, use S-N Form No. 1306, or equivalent.

STATE OF OREGON, County of Klamath, ss:

Personally appeared the above named

DONALD P. THERIAULT and EUNICE I. THERIAULT, and acknowledged the foregoing instrument to be their voluntary act and deed.

(NOTARIAL SEAL)

Before me:

My commission expires: 8-5-83

Notary Public for Oregon

MORTGAGE

DONALD P. THERIAULT and
EUNICE I. THERIAULT,

TO

FRED G. HESS and EDITH M. HESS,

AFTER RECORDING RETURN TO

(DON'T USE THIS SPACE; RESERVED FOR RECORDING LABEL IN COUNTIES WHERE USED.)

STATE OF OREGON

County of Klamath } ss.

I certify that the within instrument was received for record on the 20th day of May, 1980, at 11:21 o'clock A.M., and recorded in book M80 on page 9206 or as file number 84536.

Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Wm. D. Milne
County Clerk

By: Barnett Hardwick Deputy

Fee \$3.50