IC.	OTOO.		. 480	
THIS	S MORTGAGE, Made th E WAYNE BAXTER	his day of	OCTOBER	, 1980,
to CL	AYTON S. SHULTZ A	AND EARLYNN C. SHULTZ,	••••	
	usband and wife		***************************************	

WITNESSETH, That said mortgagor, in consideration of TEN THOUSAND AND NO/100--- (\$10,000.00) --- 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 N\2NE\2 of Section 3, Township 40 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at a point of the North line of said Section 3 from which the Northeast corner of said Section 3 bears North 89°54'58" East, 1857.24 feet; thence South 00°05'02" East 30.00 feet to a ½" iron pin on the Southerly right of way line of Old Midland Road; thence continuing South 00° 05'02" East 108.14 feet to a ½"iron pin; thence South 35°07'04" West 100.08 feet to a ½"iron pin; thence South 16°46'10" West 460.58 feet to a ½" iron pin in an existing fence; thence North 88°56'03" East generally along an existing fence, 1661.74 feet to a ½" iron pin; thence continuing North 88°56'03" East 19.83 feet to the Westerly right of way line of the U. S. B. R. No. 3 Drain; thence along said drain right of way North 41°57'00" West 143.45 feet, North 20°40'00" West 560.90 feet to the North line of said Section 3; thence South 89°54'58" West 1197.17 feet to the Point of Beginning, with bearings based on Survey No. 272 as recorded in the Office of the Klamath County Surveyor.

"This Mortgage is subordinate to that certain Agreement entered into between Michael W. Quadros and Jeanette M. Quadros AND Joe Qayne Baxter and Peggy Ann Baxter recorded February 22, 1980 in Book M80, page 3593, Klamath County.

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 One promissory note...., of which the following is a substantial copy:

\$10,000.00 , 19.80 Klamath Falls, Ore October after date, I (or if more than one maker) we, jointly and severally, promise to pay

to the order of ... CLAYTON S. SHULTZ AND EARLYNN C. SHULTZ, at TEN THOUSAND AND NO/100-----

----- DOLLARS, with interest thereon at the rate of 16%. percent per annum from Oct. 8 1980 until paid; interest to be paid QUARTERLY

If this note is placed in the hands of an attorney for collection, I/we promise and agree to pay the reasonable attorney's fees and collection costs of the holder hereof; and if a suit or an action if filed hereon, also promise to pay (1) holder's reasonable attorney's fees to be fixed by the trial court and (2) if any appeal is taken from any decision of the trial court, such further sum as may be fixed by the appellate court, as the holder's reasonable attorney's fees in the appellate court.

THIS NOTE IS FULLY DUE AND PAYABLE ON OCTOBER δ , 1981

WITH THE RIGHT TO PAY IN FULL AT ANYTIME AFTER SIX (6) MONTHS FROM DATE

RM No. 139-NOTE-Short Form

Stevens-Ness Law Publishing Co., Portland, Ore

BAXTER

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The date of maturity of the debt secured by this mortgage is the date on which the last scheduled principal payment be- $\vec{\sigma}$ comes due, to-wit: October ...*, 19* . 81 ..

And said mortgagor covenants to and with the mortgagee, his heirs, executors, administrators and assigns, that he is lawfully seized in tee simple of said premises and has a valid, unencumbered title thereto

and will warrant and lorever 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 hereafter may be erected on the said premises continuously insured against loss or damage by fire and such other hazards as the mortgage may from time to time require, in an amount not less than the original principal sum of the note or obligation secured by this mortgage, in a company or companies acceptable to the mortgagee, with loss payable liest to the mortgagee and then to the mortgagor as their respective interests may appear; all policies of insurance shall be delivered to the mortgagee as soon as insured. Now if the mortgagor shall fail for any reason to procure any such insurance and to deliver said policies to the mortgage 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 he will keep the buildings and improvements on said premises in good repair and will not commit or suffer any waste of said premises. At the request of the mortgage, the mortgage, shall join with the mortgagee in executing one or more financing statements pursuant to the Uniform Commercial Code, in form satisfactory to the mortgage, 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.

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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, tamily, household or agricultural purposes (see Important Notice below),

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

Agricultural purposes.

Now, therefore, if said mortfagfor 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 a mortfagfor of secure the performance of oits terms, this conveyance shall be void, but otherwise shall remain in full force as a mortfagfor of secure the performance of all of said covenants and the payment of said note; it being agreed that a failure to perform any covenant herein, or if a proceeding of any kind be taken to forcelose any lien on said premises or any part thereof, the mortfagfee shall have the option to declare the whole amount unpaid on said note or on this mortfagfe at once due and payable, and this mortfagfee may he forcelosed at any time thereafter. And if the mortfagfee may is all it to pay any taxes or charges or any lien, encumbrance or insurance any right arising to the mortfagfee, and shall bear interest at the same rate as said note without waiver, however, of apart of the debt secured by this mortfagfe, and shall bear interest at the same rate as said note without waiver, however, of suit or action being instituted to forcelose this mortfagfe, the mortfagfer may be forcelosed for principal, interest and all sums gfagfe in title reports and title search, all statutory costs and disbursements and such further sum as the trial court may adjudge on such appeal, all sums to be secured by the lien of this mortfagfe and included in the decree of forcelosure.

In case suit or action is commenced to fire of this mortfagfe, the Court, may upon motion of the mortfagfee, appoint a further surfagfor and of said mortfagfor and of said mortfagfor respectively.

In construing this mortfagfe, its understood that the mortfagfee may be more than one person; that if the corporations and 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 opplicable; if warranty (a) is applicable and if the mortgagee is a creditor, as such ward with the Act and Regulation by making required disclosures; for this purpose, if this form No. 1305 or equivalent; if this instrument is NOT to be a first lien, use Stevens-Ness Form No. 1306, or equivalent.

STATE OF OREGON,

County of Klamath

BE IT REMEMBERED, That on this _____ day of ____ October

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

SPACE RESERVED

FOR

RECORDER'S USE

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

DOWNA K. MATERON MOTARY PUBLIC-GATECY MAN My Commission Expires

Notary Public for Oregon. nmission expires

MORTGAGE

(FORM No. 105A)

JOE WAYNE BAXTER

CLAYTON S. SHULTZ AND CAROLYN C. SHULTZ

AFTER RECORDING RETURN TO

Mr. and Mrs. C. S. Shultz 1223 Tamera Dr.,

Klamath Falls, Ore 97601

STATE OF OREGON

County of Klamath

I certify that the within instrument was received for record on the 9th day of . October ., 19 80, at 11:16o'clock A M., and recorded in book M80 on page 19682 or as file/reel number 91064

Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Wm. D. Milne

Fee \$7.00