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344

Vol. mgl

Page

3948

K 344/p1

THIS INDENTURE WITNESSETH: That RONALD KAUL,

of the County of Klamath, State of Oregon, for and in consideration of the sum of Fifty Thousand and no/100ths Dollars (\$50,000.00), to him in hand paid, the receipt whereof is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant bargain, sell and convey unto FRANK O. SHAY and WILMA E. SHAY, husband and wife,

of the County of _____, State of _____, the following described premises situated in Klamath County, State of Oregon, to-wit:

Lots 20, 21, 22, 29, 30 and 31 in Block 48 of Klamath Falls Forest Estates Highway 66 Unit Plat No. 2, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon

SUBJECT TO: That certain Trust Deed, executed by Frank O. Shay and Wilma E. Shay, husband and wife, as grantors, to William Sisemore as Trustee for Klamath First Federal Savings & Loan Association, as beneficiary, dated October 20, 1978, recorded October 20, 1978, in Volume M-78, page 23613, Mortgage records of Klamath County, Oregon, to secure the payment of \$40,000, which Trust Deed shall be the sole obligation of Mortgagee herein, and Mortgagee shall hold Mortgagor harmless thereon.

Together with the tenements, hereditaments and appurtenances thereto belonging, or in anywise appertaining. To have and to hold the same with the appurtenances, unto the said FRANK O. SHAY and WILMA E. SHAY, husband and wife,

their heirs and assigns forever.

THIS CONVEYANCE is intended as a Mortgage to secure the payment of the sum of Fifty Thousand and no/100ths Dollars (\$50,000.00) in accordance with the terms of that certain promissory note of which the following is a substantial copy:

SAID NOTE IS ATTACHED HERETO, MAKRED AS "EXHIBIT A" and by reference made a part hereof

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: June 1, 1986.

201 JUN 2 1986

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

Now, if the sum of money due upon said instrument shall be paid according to the agreement therein expressed, this conveyance shall be void; but in case default shall be made in payment of the principal or interest or any part thereof as above provided, then the said FRANK. O. SHAY and WILMA E. SHAY, husband and wife,

and their legal representatives, or assigns may foreclose the Mortgage and sell the premises above described with all and every of the appurtenances or any part thereof, in the manner prescribed by law, and out of the money arising from such sale, retain the said principal, interest and attorney's fees as provided in said note, together with the costs and charges of making such sale and the surplus, if there be any, pay over to the said RONALD KAUL, his heirs or assigns.

It is understood that the monthly payments due hereunder, as evidenced by the Promissory Note of even date, shall include taxes. Mortgagee shall pay said taxes and present paid receipts to the Mortgagor. In the event Mortgagor does not reimburse Mortgagee within 15 days said taxes will be added to the principal due hereunder, with said sums so added to bear interest at the rate provided herein.

THIS CONVEYANCE IS MADE IN WITNESS WHEREOF, the parties have hereunto set their hands and seals at the County of Klamath, State of Oregon, this 1st day of June, 1981.

Witness my hand this 1st day of June, 1981.

*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, if this instrument is to be a FIRST lien to finance the purchase of a dwelling, use Stevens-Ness Form No. 1305 or equivalent; if this instrument is NOT to be a first lien, use Stevens-Ness Form No. 1306, or equivalent.

Ronald B. Kaul

STATE OF OREGON,

County of Klamath

ss.

BE IT REMEMBERED, That on this 1 day of June, 1981, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named RONALD KAUL, aka Ronald B. Kaul

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

Seal

Notary Public for Oregon,

My Commission expires 8-5-83

MORTGAGE

(FORM No. 7)

STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

TO

SPACE RESERVED

FOR

RECORDER'S USE

AFTER RECORDING RETURN TO

KCTCO

#3661

STATE OF OREGON,

County of

ss.

I certify that the within instrument was received for record on the day of 1981, at o'clock M., and recorded in book/reel/volume No. on page or as document/fee/file/instrument/microfilm No. Record of Mortgages of said County.

Witness my hand and seal of County affixed.

NAME

TITLE

By

Deputy

9950

PROMISSORY NOTE

\$50,000.00

Klamath Falls, OregonJune 1, 1981

I, promise to pay to the order of FRANK O. SHAY and WILMA E. SHAY, husband and wife, at Klamath County Title Company, 422 Main Street, Klamath Falls, Oregon, Fifty Thousand and NO/100ths (\$50,000.00 DOLLARS) with interest thereon at the rate of 10 per cent per annum from June 1, 1981 until paid; payable in monthly installments of not less than \$416.67 per month in any one payment; interest shall be paid monthly and is included in the minimum payments above required; the first payment to be made on the 1st day of July, 1981 and a like payment on the 1st day of each month thereafter. The entire balance, both principal and interest, to be paid in full on or before the 1st day of June, 1986. If any of said installments, is not so paid, all principal and interest to become immediately due and collectible at the option of the holder of this note. If this note is placed in the hands of an attorney for collection, we promise and agree to pay holder's reasonable attorney's fees and collection costs, even though no suit or action is filed hereon; however, if a suit or an 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.


RONALD KAUL

STATE OF OREGON,)
County of Klamath)
Filed for record at request of

on this 3rd day of June A.D. 19 81
at 2:04 o'clock P M, and duly
recorded in Vol. MS1 of Mtg.
Page 9948

EVELYN BIEHN, County Clerk

By Debra Jensen DeputyFee 10.50