TAYLOR, husband and wife,

Mortgagor, to LARRY JAMES GASSER and ROBERT EDWARD GASSER, or the survivor

WITNESSETH, That said mortgagor, in consideration of

to him paid by said mortgagee, does hereby grant, bargain, sell and convey unto said mortgagee, his heirs, ex-State of Oregon, bounded and described as follows, to-wit:

Lot 17 of Lost River Court Addition to the Town of Merrill, Oregon, according to the duly recorded plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

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:

\$ 18,277.24

Five Years

Merrill, Oregon

after date, each of the undersigned promises to pay to the order of LARRY JAMES GASSER and ROBERT EDWARD GASSER, or the survivor ar Merrill, Oregon

Eighteen Thousand Two Hundred Seventy-Seven and 24/100 (\$18,277.24)OLLARS, with interest thereon at the rate of 13½ percent per unnum from date hereof until paid. Interest to be paid upon maturity and it not so paid, the whole sum of both 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 analysis and attend to any the recomble suffection parts of the attorney for collection, each of the undersigned promises and agrees to pay the reasonable collection costs of the holder hereof; and if suit or action is filed hereon, also promises 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 less in the appellate court.

x 15/ Freduc Raymod Jan Fredric Raymond Taylor

x 15/ Joan Marie Daylor.

No.

The balance presently due and owing on said promissory note is the sum of \$8,277.24, plus interest at the rate of \$132.5 from February 29, 1984 to 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: February 2, 1987.

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 able and before the same may become delinquent; that he will promptly pay and satisfy any and all liens or encumbrances that now on on which hereafter may be erected on the said premises continuously insured against loss or damage by fire and such other obligation secured by this mortgage, in a company or companies acceptable to the mortgage, with loss payable lirst to the mortgage as soon as insured. Now it the mortgager shall fail for any reason to procure any such insurance and to deliver said policies the mortgage at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, in good repair and will not commit or suffer any waste of said premises. At the request of the mortgage, the mortgage, shall fail for son procure the same and improvements on said premises join with the mortgage, and will not commit or suffer any waste of said premises. At the request of the mortgage, the mortgage shall fail for same in the proper public office, 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 said note according to its terms, this conveyance shall be void, but otherwise shall remain in tull force as a mortgage to secure the performance of all, oi, side overants and the payment of said note; it being agreed that a failure to perform any covenant herein, or if a proclosed at any time thereafter, and if the mortgage any lien on said premises or any part thereof, the mortgage shall have the option to closed at any time thereafter, and if the mortgage shall lail to pay any taxes or charges or any lien, encumbrance or insurance any right arising to the mortgage, and shall bear interest at the same rate as said note without waiver, however, of paid by the mortgage at any time while the mortgagor neglects to repay any sums so paid by the mortgage at any time while the mortgagor neglects to repay any sums so paid by the mortgage. In the event of any gage of title reports, and title search, all statutory costs and disbursements and such further sum as the verner of the search and such surfagor further promises to pay such sum as the appellate court shall adjudge reasonable as plaintiff's attorney's lees in such suit or action, and if an appeal is taken from any judgment or decree entered on such appeal, all sums to be secured by the lien of this mortgage, the Court, may upon motion of the mortgager and of said mortgagor and of said mortgager erspectively.

In case suit or action is commenced to foreclose this mortgage, the Court, may upon motion of the mortgage, applied to a said mortgage respectively.

In case suit or action is commenced to foreclose this mortgage, the Court, may upon motion of the mortgage, applied to a said mortgage respectively.

In case suit or action is commenced to foreclose this mortgage, the court, may upon motion of the mortgage, applied and the security of the payment of the amount due under this mortgage.

In construing this mortgage, it is understood that the mortgagor or mortgag

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 and if the mortgagee is a creditor, as such word with the Act and Regulation by making required disclosures; for this purpose, if this form No. 1305 or equivalent; if this instrument is to be a first lien to finance the purchase of a dwelling, use Stevens-Ness Ness Form No. 1306, or equivalent.

STATE OF OREGON,

County of Klamath

Personally appeared the above named Fred R. Taylor and Joan M. Taylor, husband and wife,

and acknowledged the foregoing instrument to be.....

(OFFICIAL SEAL)

oluntary act and deed.

Before me

Notary Public for Oregon My commission expires: .

MORTGAGE

(FORM No. 105A)

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

Fred R. Taylor and Joan M. Taylor

Larry James Gasser and Robert Edward Gasser

Parts + Ratt 228 No 7th KFO

SPACE RESERVED FOR RECORDER'S USE STATE OF OREGON, County of Klamath

I certify that the within instrument was received for record on the 26th day of April 19 84 page 6891 or as document/fee/file/

instrument/microfilm No. 35977 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk

By Fran Am Th

Fee: \$8.00