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K-37950

Vol 185 Page 14141

THIS INDENTURE WITNESSETH: That Gary E. Griffith and Karen L. Griffith, husband and wife

of the County of Klamath, State of Oregon, for and in consideration of the sum of Twenty Two Thousand and no/100 ----- Dollars (\$22,000.00), to in hand paid, the receipt whereof is hereby acknowledged, have granted, bargained, sold and conveyed, and by these presents do grant bargain, sell and convey unto Guy A. Galletti

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

The NW1/4, SW1/4, and SW1/4 SW1/4 lying North of the USBR Drain No. 1 and Southwesterly of Southern Pacific Railroad of Section 26, Township 39 South, Range 9 East of the Willamette Meridian and that portion of SE1/4 SE1/4 lying North of the USBR Drain #1 in Section 27, Township 39 South, Range 9 East of the Willamette Meridian EXCEPTING THEREFROM the following:

Beginning at the intersection of the Easterly right of way of the County Road known as the Spring Lake Road, (said road being along the West line of the SE1/4 SE1/4 of Section 27, T. 39 S., R. 9 E.W.M.) and Northerly line of the U.S.B.R. Drain No. 1; thence North along the Easterly right of way of the Spring Lake Road 370.0 feet; thence East at right angles to the said Spring Lake Road 672.55 feet to the Northerly right of way of the U.S.B.R. Drain No. 1; thence South 61°11' West along the Northerly right of way of said No. 1 Drain 767.62 feet more or less, to the point of beginning.

Mortgagors hereby agree that in the event the tax deferral for the subject property is lost and additional property taxes become due, that in such event Mortgagors will hold the Mortgagee harmless from any liability as a result of the loss of said tax deferral.

Notwithstanding any provision herein to the contrary, there shall be no prepayment penalty.

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 Guy A. Galletti

heirs and assigns forever.

THIS CONVEYANCE is intended as a Mortgage to secure the payment of the sum of Twenty Two Thousand and no/100 ----- Dollars (\$22,000.00) in accordance with the terms of a certain promissory note of which the following is a substantial copy:

See Exhibit "A" attached hereto

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: September 1, 1992

205 SEP 5 AM 10 23

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),

THE LENDER ORGANIZATION OF LENDER IF MORTGAGED:

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 _____

and 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 sur- plus, if there be any, pay over to the said

heirs or assigns.

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THIS COVENANCE is intended as a Mortgage to secure the payment of the sum of \$100,000.00 in accordance with the terms of the promissory note and mortgage of the sum of \$100,000.00.

Witness their hand s this 3rd day of September, 19 85

***IMPORTANT NOTICE:** Delete, by lining out, whichever warranty (a) or (b) is applicable; if warranty (a) is applicable and if the mortgagee is a creditor, as defined in the Truth-in-Lending Act and Regulation Z, the mortgagee, as such under the Act and Regulation Z, must comply with Section 809(a)(7) of the FCRA. If the instrument is to be a FIRST lien financing secured by real estate, it shall conform to Form No. 1306 or equivalent; if the instrument is NOT to be a first lien, use Stevens-Ness Form (No. 1306B) or equivalent.

THE STATE OF OREGON, ss. I, _____, County of _____, do hereby certify that the within and foregoing is a true and correct copy of the original as the same appears from the records of the _____.

BE IT REMEMBERED, That on this 3rd day of September, 1985, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Gary E. Griffith and Karen L. Griffith 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.

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.

Notary Public for Oregon
My Commission expires 8/27/87

MORTGAGE

Gary E. Griffith and
Karen L. Griffith

TO

Guy A. Galletti

THE AFTER RECORDING RETURN TO:
 Jerry Molatore
 Klamath County Title Co
 420 Main Street
 Klamath Falls, OR 97601

STATE OF OREGON

County of _____

I certify that the within instrument was received for record on the _____ day of _____, 19____ at _____ o'clock _____ 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

B

Deputy

X-3 Japan

PROMISSORY NOTE

14143

\$22,000.00

Klamath Falls, Oregon
~~August~~ 3, 1985.
September

FOR VALUE RECEIVED, we promise to pay to the order of Guy A. Galletti located at 8130 Spring Lake Road, Klamath Falls, Oregon 97601, at the above mentioned address or at such other place as the holder hereof may from time to time designate in writing, the sum of Twenty Two Thousand and no/100 Dollars (\$22,000.00), in lawful money of the United States, as follows:

Annual payments of not less than \$2,400.00, including interest at the rate of 9% per annum, the first payment to be made on the 1st day of September, 1986, and on the 1st day of each September thereafter.

Interest shall begin on the total amount due under this note on September 1, 1985. There shall be no prepayment penalty.

If any installment is not so paid, the whole sum of principal and interest shall become immediately due and collectable at the option of the holder of this note. In case suit or action is instituted to collect this note, we promise to pay such additional sum as the trial court may adjudge reasonable as attorney fees in said suit or action and any appellate court upon appeal of such suit or action.

This obligation is secured by a Trust Deed of even date herewith and is subject to all the terms and conditions of such Trust Deed.

All persons liable either now or hereafter for the payment of this note severally waive presentment, demand for payment and notice of nonpayment thereof.

Failure to exercise any option to declare a default or accelerate the balance due hereon shall not constitute a waiver of the right to exercise the same in the event of any subsequent

PROMISSORY NOTE -1-

EXHIBIT "A"

14144
default. Modification of the terms of payment of this note made at the request of any person liable thereof shall not impair such person's liability or the liability of any other person now or hereafter liable for the payment hereof.

Notwithstanding any provision herein to the contrary, the entire amount due under this note shall be paid not later than September 1, 2002.

Gary E. Griffith
GARY E. GRIFFITH

Karen L. Griffith
KAREN L. GRIFFITH

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____
of September A.D., 19 85 at 10:23 o'clock A M., and duly recorded in Vol. M85 day
of _____ Mortgages on Page 14141

FEE \$17.00

Evelyn Biehn, County Clerk
By Ram Smith