

THIS MORTGAGE Made this 20th day of September, 1985, by
 Oscar Medrano and Sharon Kay Medrano as tenants by the entirety
 Mortgagor, to Marion and Polk Schools Credit Union
1900 Hines St., SE., Salem, Oregon 97302 Mortgagee,

WITNESSETH, That said mortgagor, in consideration of Thirty Five Thousand Nine Hundred
Thirty-six and 90/100 (\$35,936.90) Dollars,
 to him paid by said mortgagee, does hereby grant, bargain, sell and convey unto said mortgagee, his heirs, ex-
 ecutors, administrators and assigns, that certain real property situated in Klamath County,
 State of Oregon, bounded and described as follows, to-wit:
 Lots 9, 10, 11, 12, and 13, Block 1, ROBERTS RIVER ACRES, according to the official
 plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

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

Date: September 20, 1985

Annual Percentage: 14%

Finance Charge: \$15,501.22e

** 1 Payment of \$33,915.62e (estimate) due on or before 10-5-88

** 2% fee included in finance charge.

** e-Estimate

** We agree that loan #4893, secured by home & property at Lots 9 thru 13 Block 1
 Roberts River Acres Gilchrist, Klamath Co., Oregon 97737 is not assumable and
 the collateral held as security cannot be sold on contract without the permission
 of Marion and Polk Schools Credit Union. If permission is granted, the loan will be
 rewritten based on the current interest rate at Maturity.

The date of maturity of the debt secured by this mortgage is the date on which the last scheduled principal payment be-
 comes due, to-wit: October 5, 1988
 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 pay-
 able 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 mortgagee 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 first to the mort-
 gagee and then to the mortgagor as their respective interests may appear; all policies of insurance shall be delivered to the mort-
 gagee 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 mortgagee at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said premises
 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 mortgagee, the mortgagor shall
 join with the mortgagee in executing one or more financing statements pursuant to the Uniform Commercial Code, in form satis-
 factory to the mortgagee, 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.

The mortgage warrants that the proceeds of the loan represented by the above described note and this mortgage are: (a) primarily for mortgagee's personal, family, household or agricultural purposes (see Important Notice below), (b) for business or commercial purposes, other than agricultural purposes.

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 a mortgage to 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 foreclose any lien on said premises or any part thereof, the mortgagee shall have the option to declare the whole amount unpaid on said note or on this mortgage at once due and payable, and this mortgage may be foreclosed at any time thereafter. And if the mortgagor shall fail to pay any taxes or charges or any lien, encumbrance or insurance premium as above provided for, the mortgagee may at his option do so, and any payment so made shall be added to and become a part of the debt secured by this mortgage, and shall bear interest at the same rate as said note without waiver, however, of any right arising to the mortgagee for breach of covenant. And this mortgage may be foreclosed for principal, interest and all sums paid by the mortgagee at any time while the mortgagor neglects to repay 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 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, after first deducting all of said receiver's proper charges and expenses, to the payment of the amount due under this mortgage.

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.

**** This Mortgage may be refinanced based on the current interest rate at Maturity.**

IN WITNESS WHEREOF, said mortgagor has hereunto set his hand the day and year first above written.

Oscar Medrano

Sharon Kay Medrano

***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.

STATE OF OREGON,

County of Marion

September 20, 1985

Personally appeared the above named Oscar Medrano and Sharon Kay Medrano

and acknowledged the foregoing instrument to be a voluntary act and deed.

(OFFICIAL SEAL)

Before me:

Sharon Lust

Notary Public for Oregon

My commission expires: 9-12-88

MORTGAGE

(FORM No. 105A)

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

Oscar Medrano

Sharon Kay Medrano

TO

MaPS Credit Union

MARION AND POLK
SCHOOLS CREDIT UNION

P. O. Box 12398

Salem, Oregon 97309

SPACE RESERVED

FOR

RECORDER'S USE

Fee: \$9.00

STATE OF OREGON,

County of Klamath

SS.

I certify that the within instrument was received for record on the 26th day of September, 1985, at 2:22 o'clock P.M., and recorded in book/reel/volume No. M85 on page 15647 or as document/fee/file/instrument/microfilm No. 53770, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk

NAME

TITLE

By Sharon Lust Deputy