

Customer (Mortgagor) Donald E. Merritt SR. & Shelia Merritt Date 4/25/86
 Creditor (Mortgagee) PAUL W. NUNLEY
 By signing at the bottom of this page, I agree to be bound by the terms stated on the front and back of this contract, including the terms stated in the Disclosures Under Federal Law. I hereby buy the labor, materials and supplies described as follows:

VINYL SIDING

\$ 6400.00

Address of property to be improved: 4864 GATEWOOD, Klamath Falls, Ore. 97601
 NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

I know that Credit Life and Credit Disability Insurance are not required. I'd like Creditor to provide the coverage checked:

☐ I desire credit life insurance.

The cost for the term of this contract is \$ _____.

☐ I desire credit life and credit disability insurance. The cost for the term of this contract is \$ _____ for credit life and \$ _____ for credit disability for a total of \$ _____ for both.

Name of Customer to be insured _____

Signature of Customer _____

I know that I may obtain required property insurance from any insurer I choose.

Breakdown

1. Cash Sale Price
 - a. \$ 6400.00
 - b. \$ -
 - c. \$ -
 Total Cash Sale Price (a plus b plus c) \$ 6400.00
2. Cash Downpayment — Total Downpayment (also put this figure on the downpayment line in the Total Sale Price box below) \$ 0
3. Unpaid Balance of Cash Sale Price (1 minus 2) \$ 6400.00
4. Charges other than Service Charge:
 - a. Credit Life Insurance Premium \$ -
 - b. Credit Disability Insurance Premium \$ -
 - c. Filing Fee for Mortgage (also see "Instructions to Dealer" at bottom of this Contract) \$ -
 Total Charges other than Service Charge (a plus b plus c) \$ -
5. Principal Balance (3 plus 4) (also put this figure in the Amount Financed box below) \$ 6400.00
6. Service Charge (also put this figure in the FINANCE CHARGE box below) \$ 2844.80
7. Time Balance (5 plus 6) (also put this figure in the Total of Payments box below) \$ 9244.80
8. Total Sale Price (1 plus 4 plus 6) (also put this figure in the Total Sale Price box below) \$ 9244.80

Mortgage. By signing this contract I grant to Creditor a mortgage on the following "Property" in Klamath County, State of Oregon, including all improvements and additions now and later erected thereon: Lot 3 Block 2 Gatewood

The Mortgage secures the payment of the Time Balance shown in item 7 of the Breakdown above plus all other sums owing under this contract. After a default under this contract the mortgage may be foreclosed and the Property sold to pay this contract.

Disclosures Under Federal Law:

| ANNUAL PERCENTAGE RATE | FINANCE CHARGE | Amount Financed | Total of Payments | Total Sale Price |
|--|---|---|--|--|
| The cost of my credit as a yearly rate | The dollar amount the credit will cost me | The amount of credit provided to me or on my behalf | The amount I will have paid after I have made all payments as scheduled. | The total cost of my purchase on credit, including my downpayment of \$ <u>0</u> |
| <u>15.25%</u> | <u>\$ 2844.80</u> | <u>\$ 6400.00</u> | <u>\$ 9244.80</u> | <u>\$ 9244.80</u> |

My Payment Schedule will be:

| Number of Payments | Amount of Payments | When Payments are Due |
|--------------------|--------------------|---------------------------------|
| <u>60</u> | <u>154.08</u> | Monthly beginning <u>6-1-86</u> |
| | | Due on _____ |
| | | Due on _____ |

Payments: I'll pay Creditor the Time Balance shown in item 7 of the Breakdown. I'll pay Creditor this amount according to "My Payment Schedule" shown above. The payments listed on the first line of the schedule are equal consecutive monthly payments which are due on the same day of each month, beginning on the date shown. Any irregular payments are listed on the last two lines of the schedule.

Security: I am giving a security interest in the real property located at:

Late Charge: For each payment that is not paid within 20 days after its scheduled payment date, I will pay a late charge of 5% of the amount that's late.

Filing Fees: \$ -
 Prepayment: If I pay off early, I may be entitled to a refund of part of the finance charge.

See the other contract provisions for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties.

e means an estimate

Itemization of the Amount Financed

1. Amount given to me directly (line 3 of Breakdown) \$ 6400.00
2. Amount paid to others on my behalf:
 - (a) Amount paid to insurance companies (total of lines 4a and 4b of Breakdown) \$ -
 - (b) Amount paid to public officials (line 4c of Breakdown) \$ -
3. Amount Financed (1 plus 2(a) plus 2(b) of this Itemization) \$ 6400.00

CONSUMER PAPER

NOTICE: The seller (Creditor) intends to sell this contract to U.S. National Bank of Oregon at _____ (mailing address), which, if it buys the contract, will become the owner of the contract and your creditor. After the sale of this contract, all questions concerning either terms of the contract or payments should be directed to the buyer of the contract at the address indicated above.

Contract Accepted By: PAUL W. NUNLEY - Creditor

By: Paul W. Nunley (Name and Title)

Business Address: P.O. Box 1911

70-1673 1/82

The undersigned acknowledges receipt of a completed copy of this contract and agrees to its terms.

Mortgagor (Customer): Donald E. Merritt SR.

Mortgagor (Customer): Shelia Merritt

Address: 4864 GATEWOOD, Klamath Falls, Ore.

Witness: Paul W. Nunley

"Instructions to Dealer:" Add the amount shown on Line 4c of the breakdown to the fee for Satisfaction of Mortgage which will be paid by the buyer when the Contract is paid off, and put the sum of the two in the line marked "Filing Fees" in the Federal Box.

| | | | | |
|---|--|--|--|---|
| ANNUAL PERCENTAGE RATE The cost of my credit as a yearly rate. <u>15</u> % | FINANCE CHARGE The dollar amount the credit will cost me. \$ <u>2844.80</u> | Amount Financed The amount of credit provided to me or on my behalf. \$ <u>6400.00</u> | Total of Payments The amount I will have paid after I have made all payments as scheduled. \$ <u>9244.80</u> | Total Sale Price 7494 The total cost of my purchase on credit, including my downpayment of \$ <u>0</u> . \$ <u>9244.80</u> |
|---|--|--|--|---|

My Payment Schedule will be:

| Number of Payments | Amount of Payments | When Payments are Due |
|--------------------|--------------------|---------------------------------|
| <u>60</u> | <u>154.08</u> | Monthly beginning <u>6-1-86</u> |
| | | Due on _____ |
| | | Due on _____ |

Security. I am giving a security interest in the real property located at _____

Late Charge. For each payment that is not paid within 20 days after its scheduled payment date, I will pay a late charge of 5% of the amount that's late.

Filing Fees: _____
 Prepayment. If I pay off early, I may be entitled to a refund of part of the finance charge.
 See the other contract provisions for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties.

^e means an estimate

Payments. I'll pay Creditor the Time Balance shown in Item 7 of the Breakdown. I'll pay Creditor this amount according to "My Payment Schedule" shown above. The payments listed on the first line of the schedule are equal consecutive monthly payments which are due on the same day of each month, beginning on the date shown. Any irregular payments are listed on the last two lines of the schedule.

Itemization of the Amount Financed

- Amount given to me directly (line 3 of Breakdown) \$ 6400.00
- Amount paid to others on my behalf.
 - Amount paid to insurance companies (total of lines 4a and 4b of Breakdown) \$ _____
 - Amount paid to public officials (line 4c of Breakdown) \$ _____
- Amount Financed (1 plus 2(a) plus 2(b) of this Itemization) \$ 6400.00

CONSUMER PAPER

NOTICE: The seller (Creditor) intends to sell this contract to U.S. National Bank of Oregon at _____ (mailing address), which, if it buys the contract, will become the owner of the contract and your creditor. After the sale of this contract, all questions concerning either terms of the contract or payments should be directed to the buyer of this contract at the address indicated above.

Contract Accepted By: PAUL W. NUNLEY - EUGENE, ORE. (Creditor)
 By: Paul W. Nunley (Name and Title)
 Business Address: P.O. Box 191 Eugene, Or 97440
 The undersigned acknowledges receipt of a completed copy of this contract and agrees to its terms.
 Mortgageor (Customer) [Signature]
 Mortgageor (Customer) Shirley M. [Signature]
 Address: 4864 GATEWOOD, KENNESAW, CALIF. 94024
 Witness: Paul W. Nunley

70-1873 1/82
 "Instructions to Dealer:" Add the amount shown on Line 4c of the breakdown to the fee for Satisfaction of Mortgage which will be paid by the buyer when the Contract is paid off, and put the sum of the two in the line marked "Filing Fees" in the Federal Box.

TERMS AND CONDITIONS

7495

Rebate of Unearned Service Charge: Customer may prepay the entire amount owing under this contract at any time and receive a rebate of unearned service charge computed as follows:

(1) If Customer signed this contract before October 1, 1982, and the entire amount owing under this contract is voluntarily prepaid before the scheduled date of the final payment, whether by cash, refinancing, or otherwise, Customer will receive a rebate of unearned service charge computed in the following way: Creditor will deduct and retain from the service charge an acquisition fee of \$10 if the Cash Sale Price stated on the front of this contract is \$100 or less; \$15 if the Cash Sale Price is \$100.01 to \$250, \$25 if the Cash Sale Price is \$250.01 to \$500, or \$50 if the Cash Sale Price is more than \$500; the rule of 78's will be applied to the part of the service charge that remains after deducting the acquisition fee; a rebate will not be made unless the rebate amount is \$1 or more.

(2) If Customer signed this contract on or after October 1, 1982, and the entire amount owing under this contract is voluntarily prepaid before the scheduled date of the final payment, whether by cash, refinancing, or otherwise, Customer will receive a refund credit of the unearned portion of the service charge. The amount of the refund credit shall be not less than the total service charge contracted for to maturity, less the greater of: (a) ten percent of the amount financed or \$75; whichever is less; or (b) the service charge earned to the instalment due date nearest the date of prepayment, computed by applying the effective rate on the contract to the actual principal balances outstanding for the periods of time the balances were actually outstanding. For purposes of rebate computations under this subparagraph (2), the instalment due date preceding the date of prepayment shall be considered to be nearest if prepayment occurs 15 days or less after that instalment date. If prepayment occurs more than 15 days after the preceding instalment due date, the next succeeding instalment due date shall be considered to be nearest to the date of prepayment. In determining the effective rate, Creditor may apply to the scheduled payments the actuarial method, by which each scheduled payment is applied first to the accrued and unpaid service charges and any amount remaining is applied to reduction of the principal balance. When the amount of the refund credit is less than \$2, no refund will be made.

(3) If payments are not made as agreed, or any other default under this contract occurs, Creditor may at Creditor's option and without notice, declare the entire amount owing under this contract immediately due, in which case Creditor will credit the contract with a rebate of any unearned service charge, computed in the same way as stated in (1) or (2) above, for a voluntary prepayment, as applicable.

Events of Default/Foreclosure. The following are events of default under the mortgage: (1) Customer fails to make any payment on this contract when due; (2) Customer fails to insure the Property with Fire and extended coverage insurance and keep the Property in good order and repair; required insurance may be obtained through any insurer Customer chooses; (3) Customer fails to pay all taxes, assessments, liens, and other encumbrances which might take priority over this mortgage when they are due. After a default and subject to customer's right of redemption and other rights under law, the mortgage may be foreclosed and the Property sold to pay this contract.

Right After Default: Customer will be liable for any expenses that Creditor may incur to insure Creditor's interest in the Property and to pay off taxes, assessments, liens and encumbrances on the Property, if Customer fails to do so, together with interest at 12% a year from the date such expenses are incurred until they are paid. If payments are not made as agreed, or any other default under this contract occurs, Creditor may, at Creditor's option, and without notice, declare the entire amount owing under this contract immediately due. After any default Customer will be liable for the following reasonable costs of collection incurred: (1) reasonable amounts spent in repossessing, foreclosing, holding, preparing for disposition, and disposing of the Property; (2) reasonable lawyers' fees, including any for appeals that are paid or owed to lawyers who are hired to collect the contract or to foreclose the mortgage and who are not Creditor's salaried employees; or that are set by a court; (3) any court costs and disbursements set by a court.

STATE OF OREGON

County of Klamath

On this 1st day of May, 19 86, before me personally appeared Paul W. Nunley, witness, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as a witness thereto. He, being duly sworn by me, stated that he resides in Lane County, Oregon; that he was present and saw Donald E. Merritt and Shida Merritt, personally known to be the signers of the foregoing instrument as parties thereto, sign and deliver the same, and he heard them acknowledge that they executed the same, and that he, the witness, thereupon signed as a witness thereto at the request of said Donald E. Merritt.

and Barbara L. Raup
Notary Public for Oregon
My Commission expires: 11/12/87

CREDITOR (CONTRACTOR'S) CERTIFICATE OF COMPLETION

I hereby warrant that all materials and supplies listed on the face hereof or on any exhibits hereto have been furnished and paid for and that all laborers and subcontractors have been paid or will be paid promptly. I further certify that the writing on the face hereof, as supplemented by any attached exhibits, contain the entire agreement between the Creditor (contractor) and Customer (buyer) and that the improvements have not been misrepresented.

STATE OF OREGON, COUNTY OF KLAMATH:

Filed for record at request of Paul W. Nunley the 1st day of May, A.D., 19 86 at 10:22 o'clock A M., and duly recorded in Vol. M86 of Mortgages on Page 7493.

FEE \$13.00

Return: Paul W. Nunley Box 1911

Evelyn Biehn, County Clerk
By [Signature]

Eugene, Oregon 97440