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Vol. M78 Page 17927

THIS MORTGAGE, Made this 1st day of October, 1986,
by OZDJAN HASSAN and BONNIE HASSAN, husband and wife Mortgagor,
to BETTY MARIE MASON Mortgagee,

WITNESSETH, That said mortgagor, in consideration of _____ Dollars, to him paid by said mortgagee, does hereby
grant, bargain, sell and convey unto said mortgagee, his heirs, executors, administrators and assigns, that certain real
property situated in Klamath County, State of Oregon, bounded and described as follows, to-wit:

SEE EXHIBIT "A" attached hereto.

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, adminis-
trators and assigns forever.

This mortgage is intended to secure the payment of a promissory note, of which the following is a substantial copy:

SEE EXHIBIT "B" 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: per terms of note, 19 .

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, even if mortgagor is a natural person~~ are for business or commercial purposes other than agricultural
purposes.

This mortgage is inferior, secondary and made subject to a prior mortgage on the above described real estate made by
BETTY M. MASON and EDWARD L. MASON, husband and wife
to STATE OF OREGON, represented by the Directors of dated September 25,
1978 and recorded in the mortgage records of the above named county in book/reel/volume No. M78, at page 21187
thereof, or as document/tee/tile/instrument/microfilm No. , (indicate which), reference to said mortgage records
hereby being made; the said first mortgage was given to secure a note for the principal sum of \$ 36,344.00; the unpaid
principal balance thereof on the date of the execution of this instrument is \$ 32,874.99 and no more; interest thereon is paid
to 10/1, 1986; said prior mortgage and the obligations secured thereby hereinafter, for brevity, are called
simply "first mortgage."

The mortgagor covenants to and with the mortgagee, his heirs, executors, administrators and assigns, that he is lawfully seized
in fee simple of said premises; that the same are free from all encumbrances except said first mortgage and further except _____

and that he will warrant and forever defend the same against all persons; further, that he will do and perform all things required of
him and pay all obligations due or to become due under the terms of said first mortgage as well as the note secured hereby, principal
and interest, according to the terms thereof; that while any part of the note secured hereby remains unpaid he will pay all taxes, assess-
ments and other charges of every nature which may be levied or assessed against said property, or this mortgage or the note secured
hereby, when due and payable and before the same 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

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and such other hazards as the mortgagee may from time to time require, in an amount not less than \$_____ in a company or companies acceptable to the mortgagee herein, with loss payable, first to the holder of the said first mortgage; second, to the mortgagee named herein and then to the mortgagor as their respective interests may appear; all policies of insurance shall be delivered to the holder of the said first mortgage as soon as insured and a certificate of insurance executed by the company, in which said insurance is written, showing the amount of said coverage, shall be delivered to the mortgagee named in this instrument. Now if the mortgagor shall fail for any reason to procure any such insurance and to deliver said policies as aforesaid at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, the mortgagee may procure the same at mortgagor's expense; that the mortgagor will keep the buildings and improvements on said premises in good repair and will not commit or suffer any waste of said premises. In the event any personal property is part of the security for this mortgage, then 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 satisfactory 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.

Now, therefore, if said mortgagor shall keep and perform the covenants herein contained and shall pay all obligations secured by said first mortgage as well as the note secured hereby 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 payments of the note secured hereby; 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, or fail to do or perform anything required of him by said first mortgage, the mortgagee herein, at his option, shall have the right to make such payments and to do and perform the acts required of the mortgagor under said first mortgage; and any payment so made, together with the cost of such performance shall be added to and become a part of the debt secured by this mortgage, and shall bear interest at the same rate as the note secured hereby 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 such 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 mortgagees 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.

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

Ozdan Hassan
OZDJAN HASSAN

BONNIE HASSAN

Bonnie Hassan

*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, use Stevens-Ness Form No. 1306 or similar.

STATE OF OREGON,

County of Klamath ss.

BE IT REMEMBERED, That on this 1st day of October, 1986, before me, the undersigned, a notary public in and for said county and state, personally appeared the within named Ozdan Hassan and Bonnie Hassan

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.

Camela Greene
Notary Public for Oregon
My Commission expires 8/16/88

SECOND MORTGAGE

(FORM No. 925)

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

OZDJAN & BONNIE HASSAN

TO

BETTY MARIE MASON

AFTER RECORDING RETURN TO

Mountain Title Company

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON,

County of _____ ss.

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

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DESCRIPTION

PARCEL 1

A tract of land situated in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 8, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the Northwestern intersection of Greensprings Drive and Jackson Avenue, from which the Northwest corner of said Section 8, as computed from recorded Survey No. 589, bears N51°19'30" West 753.86 feet and N00°43'00" West 929.1 feet; thence N38°40'30" East, along the Northwestern right of way line of said Greensprings Drive, 80.00 feet to the TRUE POINT OF BEGINNING of this description; thence continuing along said right of way line N38°40'30"E 180.00 feet; thence N51°19'30"W 320.00 feet; thence S38°40'30"W 180.00 feet; thence S51°19'30"E 320.00 feet to the TRUE POINT OF BEGINNING.

Above bearings are based on record of survey No. 589 filed in the office of the County Clerk, Klamath County, State of Oregon.

PARCEL 2

A tract of land situated in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 8, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the Northwestern intersection of Greensprings Drive and Jackson Avenue, from which the Northwest corner of said Section 8, as computed from recorded Survey No. 589, bears N51°19'30"W 753.86 feet and N00°43'00"W 929.1 feet; thence N38°40'30"E; along the Northwestern right of way line of said Greensprings Drive, 260.00 feet to the TRUE POINT OF BEGINNING of this description; thence continuing along said right of way line N38°40'30"E 100.00 feet; thence N51°19'30"W 320.00 feet; thence S38°40'30"W 100.00 feet; thence S51°19'30"E 320.00 feet to the TRUE POINT OF BEGINNING.

Above bearings are based on record of Survey No. 589 filed in the office of the County Clerk, Klamath County, State of Oregon.

EXHIBIT "A"

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EXHIBIT B
PROMISSORY NOTE

\$45,125.01

October 1, 19

We, jointly and severally, promise to pay to the order of BETTY MARIE MASON at 850 Russell Ave., Santa Rosa CA 95401 FORTY-FIVE THOUSAND ONE HUNDRED TWENTY-FIVE AND 01/100 DOLLARS, with interest thereon at the rate of 10 per cent per annum from 1st day of October, 1986 until paid, principal and interest payable in monthly installments of not less than \$400.00 in any one payment; each payment as made shall be applied first to accumulated interest and the balance to principal; the first payment to be made on the 1st day of ~~October~~ ^{NOVEMBER} 1986, and a like payment on the 1st day of ~~each~~ ^{P.O.H.} month thereafter. The undersigned makers further agree that they will attempt within 2 years of this date to refinance and liquidate this obligation by making application for that purpose with no less than 2 commercial lending institutions.

In addition to the monthly payments called for the undersigned agree to pay an additional \$10,000 on October 1, 1988.

Interest shall increase to 12% on the unpaid balance effective October 1, 1988.

Beginning with the payment due October 1st, 1988 and all succeeding payments the undersigned agree to pay monthly

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payments of \$600.00 per month until the balance hereof is paid in full; if any of said installments is 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 attorney for collection, we promise and agree to pay the reasonable attorney's fees and collection costs of the holder hereof, and if suit or action is filed hereon, also promise 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 fees in the appellate court.

COPY
OZDJAN HASSAN

COPY
BONNIE HASSAN

EXHIBIT "B" page 2

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____
of October A.D. 19 86 at 8:54 o'clock A M., and duly recorded in Vol. M86
of Mortgages on Page 17927

FEE \$21.00

Evelyn Biehn, County Clerk
By Ram Smith