

THIS MORTGAGE, Made this 9th day of September, 1988, by VETERAN Samuel Stewart Shaw to DAISY May Shaw

WITNESSETH, That said mortgagor, in consideration of Ten thousand dollars and no/100's (\$10,000.00) 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:

Lot 29 and all of Lot 28, in Midland Tracts, lying east of the Highway, according to the plat filed with the County Clerk of Klamath County, Oregon, save and excepting from said premises a strip of land forty feet wide off the North line of Lot 29 and off the North line of that portion of the Lot 28 of said Midland Tracts lying East of the California Northeastern right of way heretofore deeded to Klamath County for a public road, and except other rights of way of record; also all that portion of Tracts 28 and 29 Midland Tracts according to the duly recorded plat, lying between the easterly right of way line of the Southern Pacific Railroad and the westerly right of way line of the State Highway.

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

\$ 10,000.00 Klamath Falls, September 9, 1988

Samuel Stewart Shaw after date, I (or if more than one maker) we jointly and severally promise to pay to the order of Daisy May Shaw at

Ten thousand dollars and no/100's DOLLARS,

with interest thereon at the rate of 9% per annum from September 9, 1988 until paid; interest to be paid and if not so paid, all principal and interest, at the option of the holder of this note, to become immediately due and collectible. Any part hereof may be paid at any time. If this note is placed in the hands of an attorney for collection, I/we promise and agree to pay holder's reasonable attorney's fees and collection costs, even though no suit or action is filed hereon; if a suit or an action is filed, the amount of such reasonable attorney's fees shall be fixed by the court or court in which the suit or action, including any appeal therein, is tried, heard or decided.

Samuel Stewart Shaw

FORM No. 216—PROMISSORY NOTE

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: 1989.

This mortgage is inferior, secondary and made subject to a prior contract to purchase real property made by Samuel Stewart Shaw, Daisy May Shaw and William Moran dated August 1, 1989.

Contract to sell Real Property

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, assessments 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

