

IN 80790A
30139

Vol. 147 Page 40707

THIS MORTGAGE, Made this 21st day of August, 1997, by

DIANE L. ZOLLMAN

Mortgagor, to DOUGLAS H. RUTHERFORD

Mortgagee,

WITNESSETH, That said mortgagor, in consideration of TWO THOUSAND SIX HUNDRED FIFTY AND NO/100 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 #8: The W 1/2 of the South 1/2 of the South 1/2 of the SE 1/4 of the SE 1/4 in Section 8, Township 25 South, Range 8 East, Willamette Meridian.

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 \$8 promissory note, of which the following is a substantial copy:

SEE ATTACHED EXHIBIT A

DIANE L. ZOLLMAN
Mortgagor

DIANE L. ZOLLMAN
Mortgagee

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Mortgagee

The mortgage 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 the purchase of real property or for the improvement of real property.

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 herein apply equally to corporations and to individuals.

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

DIANE L. ZOLLMAN

IMPORTANT NOTICE: Before, by filing out, whichever warranty (a) or (b) is made, you should be aware that 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, see Stevens-Nease Form No. 1305 or equivalent; if this instrument is NOT to be a first lien, see Stevens-Nease Form No. 1306, or equivalent.

STATE OF OREGON,

County of POLK

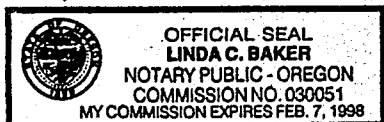
AUGUST 21, 1997

Personally appeared the above named DIANE L. ZOLLMAN

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

Before me:

(OFFICIAL SEAL)



Linda C. Baker
Notary Public for Oregon
My commission expires: 2-7-98

MORTGAGE

(FORM No. 105A)

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

DIANE L. ZOLLMAN

TO

DOUGLAS H. RUTHERFORD

AFTER RECORDING RETURN TO

Douglas Rutherford

P.O. Box 395

Veneta, Or. 97487

STATE OF OREGON,

County of

SS.

I certify that the within instrument was received for record on the

day of

at

in book/reel/volume No.

on

page, as document/fee/file/instrument/microfilm No.

Record of Mortgages of said County.

Witness my hand and seal of

County affixed

By

Deputy

407C9

PROMISSORY NOTE

\$2,650.00

August 21, 1997
Dallas, Oregon

FOR VALUE RECEIVED, I promise to pay to the order of DOUGLAS H. RUTHERFORD, the sum of TWO THOUSAND SIX HUNDRED FIFTY DOLLARS (\$2,650.00), in one lump sum within five (5) days of the closing of promisor's property at 266 S.W. Court, Dallas, Polk County, Oregon, or on or before eighteen (18) months from the date hereof whichever is earlier.

Payments shall be paid to DOUGLAS H. RUTHERFORD at 24917 Bramble Way, Junction City, Oregon, 97448.

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

This note may be prepaid at any time without penalty.

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 default.

In case suit or action is instituted to collect this note or if this note is placed in the hands of an attorney for collection even though no suit or action is instituted, or no sale of the property directed under the terms of the Mortgage, I promise to pay such sum as the trial court may adjudge reasonable as attorney fees in a suit or action, or the reasonable fees and expenses of an attorney if the note is placed with an attorney for collection.

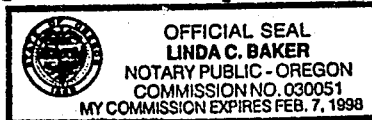
Diane L. Zollman
DIANE L. ZOLLMAN

STATE OF OREGON)
) ss:
County of Polk)

On this 21 day of August, 1997, personally appeared before me the above-named DIANE L. ZOLLMAN and acknowledged the foregoing instrument to be her voluntary act and deed.

Linda C. Baker
NOTARY PUBLIC FOR OREGON
My Commission Expires: 2-7-98

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STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Douglas Rutherford the 15th day
of December A.D., 19 97 at 2:39 o'clock P.M., and duly recorded in Vol. M97,
of Mortgages on Page 40707

FEE \$20.00

Bernetha G. Letsch, County Clerk
By *Kathleen Rose*