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THIS MORTGAGE, Made this 19th day of July SEPTEMBER, 1967,
by E. MARTIN KERNS and SHIRLEY F. KERNS, husband and wife, Mortgagee,
to ROSE E. KERNS, JAMES WILLIAM KERNS, ROBERT BENJAMIN KERNS, and JOHN PAUL KERNS, Mortgagor,

WITNESSETH, That said mortgagor, in consideration of Eleven Thousand Two Hundred 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:

All that portion of the NE $\frac{1}{4}$ of Section 33, Township 39 South, Range 8 E.W.M., lying South of the Weyerhaeuser Timber Company Right of Way as described in Deed 78 page 596 and in Deed 82 page 329, Records of Klamath County, Oregon.

This mortgage is second and junior to a prior mortgage from mortgagors to Federal Land Bank of Spokane.

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:

\$ 11,200.00 Klamath Falls, Oregon July 13, 1967.
For value received I, Rose E. Kerns, James W. Kerns, Robert B. Kerns and John P. Kerns, or order, at Klamath Falls, Oregon
ELEVEN THOUSAND TWO HUNDRED Dollars,
in lawful money of the United States of America, with interest thereon, in like lawful money at the rate of 6 per cent per annum from November 15, 1967 until paid, payable in two installments, at the dates and in amounts as follows: \$10,000.00 on or before November 15, 1967, and \$1,200.00 on November 15, 1968.
plus the full amount of interest due on this note at time of payment ~~at expiration of term~~ until the whole sum, principal and interest, has been paid; if any of said installments are 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. And in case suit or action is instituted to collect this note or any portion thereof I promise to pay such additional sum as the Court may adjudge reasonable as attorney's fees in such suit or action.
Due November 15, 1968.
At Klamath Falls, Oregon /s/ E. MARTIN KERNS
/s/ SHIRLEY F. KERNS
No.

FORM No. 103—NOTE—INSTALLMENT (in Odd Amounts).

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

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, except as above set forth,

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 payable 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 mortgagee and then to the mortgagor as their respective interests may appear; all policies of insurance now or hereafter placed on said buildings, to the mortgagee 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 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 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, it 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.

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

E. Martin Kerns (SEAL)

Shirley F. Kerns (SEAL)

(SEAL)

(SEAL)

MORTGAGE

(FORM No. 105A)

TO

STATE OF OREGON,

County of *Klamath* ss.

I certify that the within instrument was received for record on the *28* day of *Sept*, 19 *67*, at *4:29* o'clock *P.*M., and recorded in book *7767* on page *7587*, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Donna L. Rogers
County Clerk-Recorder.

By *Donna L. Rogers* Deputy.

Donna L. Rogers
107 So. 7th
City

STATE OF OREGON,

County of *Klamath* ss.

BE IT REMEMBERED, That on this *19th* day of *September*, 19 *67*, before me, the undersigned, a notary public in and for said county and state, personally appeared the within named *E. MARTIN KERNS and SHIRLEY F. KERNS, husband and wife,*

known to me to be the identical individuals 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.

Donald L. Kern
Notary Public for Oregon.
My Commission expires *March 3, 1971*