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VOE

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THIS MORTGAGE, Made this 1st day of July, 1968, by Eugene Aiello and Doris E. Aiello, his wife, Mortgagee, to Frank L. King, Jr., and Virginia Lee King, husband and wife, Mortgages,

WITNESSETH, That said mortgagor, in consideration of the sum of Fourteen Thousand and No/100ths (\$14,000.00) Dollars to the mortgagor paid by the mortgagees, the said mortgagor does hereby grant, bargain, sell and convey unto the said mortgagees as joint tenants with the right of survivorship and not as tenants in common, their assigns and the heirs of the survivor of them, those certain premises situate in the County of Klamath and State of Oregon, and described as follows, to-wit:

PARCEL ONE: SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 31, Township 39 South, Range 12 E.W.M., and that portion of N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 6, Township 40 South, Range 13 E.W.M. lying North of the Bonanza-Langell Valley Highway;
PARCEL TWO: That portion of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Sec. 32, T.39 S.R. 12 E.W.M., which lies Northwest of the Langell Valley Irrigation District Drainage Ditch, aggregating 3 acres, more or less;
Also, SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Sec. 32, Twp.39 S.R. 12 E.W.M.;
Also, NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Sec. 32, Twp.39 S.R. 12 E.W.M.;
Also, 7 acres, more or less, on the West side of Lost River, in the W $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Sec. 32, Twp. 39 S. R. 12 E.W.M., and being all of said W $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ lying Westerly of Lost River.

SUBJECT TO: Acreage and use limitations under provisions of the United States Statutes and regulations issued thereunder; liens and assessments of Klamath Project and Langell Valley Irrigation District, and regulations, contracts, easements, and water and irrigation rights in connection therewith; rights of the public and of Governmental bodies in and to that portion of the herein described property lying below the ordinary high water mark of Lost River; and easements and rights of way of record and apparent thereon.

together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any-wise appertaining; together with the rents, issues and profits therefrom and all fixtures now or hereafter placed or installed in or upon said described premises,

TO HAVE AND TO HOLD the same unto the said mortgagees as joint tenants with the right of survivorship and not as tenants in common, and to their assigns and the heirs of the survivor forever.

This mortgage is intended to secure the payment of that certain promissory note in words and figures substantially as follows:

\$14,000.00 July 1968
Each of the undersigned promises to pay to the order of Frank L. King and Virginia Lee King, husband and wife, and upon the death of any of them, then to the order of the survivor of them, at Klamath Falls, Oregon, Fourteen Thousand and No/100ths DOLLARS, with interest thereon at the rate of seven (7) percent per annum from July 1, 1968 until paid, payable in annual installments, at the dates and in the amounts as follows: \$1,537.20 on July 1, 1969, and a like installment on the first day of July of each year thereafter with the final installment of principal and interest to fall due on July 1, 1983

interest to be paid annually and ~~the~~ the payments above required; said payments shall continue until the whole sum hereof, principal and interest, has been paid; if any of said installments is not so paid, the whole sum of both principal and interest shall 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, each of the undersigned promises and agrees to pay the reasonable collection costs of the holder hereof; if suit or action is filed hereof, also promises 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.

It is the intention of the parties hereto that the said payees do not take the title hereto as tenants in common but with the right of survivorship, that is: on the death of any of the payees, the right to receive payment of the then unpaid balance of principal and interest shall vest absolutely in the survivor of them. Prepayment after January 1, 1969, may be made without penalty.

* Strike words not applicable.

In construing this mortgage and the said note, the word "survivor" shall include survivors, the term "mortgagee" shall include mortgagees; the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine and the neuter, and all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to more than one individual; furthermore, the word "mortgagees" shall be construed to mean the mortgagees named above, if all or both of them be living, and if not, then the survivor or survivors of them, because it is the intention of the parties hereto that the said note and this mortgage shall be held by the said mortgagees as joint tenants with the right of survivorship and not as tenants in common and that on the death of one, the moneys then unpaid on said note as well as all rights and interests herein given to the mortgagees shall vest forthwith in the survivor of them.

And said mortgagor covenants to and with the mortgagees, and their successors in interest, that he is lawfully seized in fee simple of the premises and has a valid, unencumbered title thereto except as above set forth, and mortgage recorded in Volume M-66, Page 3677 Official Records of Klamath County, Oregon from Frank L. King, Jr., et ux, to Wm. Ganong received to secure \$20,000.00,

and will warrant and forever defend the same against all persons; that he will pay said note(s), principal and interest, according to the terms thereof; that while any part of said note(s) 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(s) 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 may hereafter be erected on the premises insured in favor of the mortgagees against loss or damage by fire in the sum of \$10,000.00; 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.

Now, therefore, if said mortgagor shall keep and perform the covenants herein contained and shall pay said note(s) 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(s); it being agreed that if the mortgagor shall fail to make any payment or to perform any covenant herein, or if a proceeding of any kind note(s) 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 mortgagees may at their 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(s), without waiver, however, of any right arising to the mortgagees for breach of covenant; and this mortgage may be foreclosed at any time while the mortgagor neglects to repay any sums so paid by the mortgagees.

In the event of any suit or action being instituted to foreclose this mortgage, the mortgagor agrees to pay all costs and disbursements allowed by law and such sum as the court may adjudge reasonable as plaintiff's attorney's fees in such suit or action, together with the reasonable costs incurred by the mortgagees for title reports and title search, all such sums to be secured by the lien of this mortgage and included in the decree of foreclosure.

In case suit or action is commenced to foreclose this mortgage, the court upon motion of the mortgagees, may appoint a receiver to collect the rents and profits arising out of said premises during the pendency of such foreclosure and apply the same to the payment of the amount due under this mortgage, first deducting all proper charges and expenses attending the execution of said trust.

Each and all of the covenants and agreements herein contained shall apply to, inure to the benefit of and bind the heirs, executors, administrators, successors in interest and assigns of said mortgagor and of said mortgagees respectively.

This mortgage is given as a second mortgage to secure a balance of the purchase price of the above described real property. All deletions and insertions were made prior to execution.

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

Executed in the presence of

Eugene Aiello (SEAL)
Doris E. Aiello (SEAL)
 _____ (SEAL)
 _____ (SEAL)

MORTGAGE

(FORM No. 691)

TO

STATE OF Oregon

County of Klamath

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

16 day of August

19 68, at 3:13 o'clock P.M.,

and recorded in book N-58 on

page 71888, Record of Mortgages

of said County.

Witness my hand and seal of

County affixed.

Dorothy Rogers

County Clerk-Recorder.

By *Charles F. Martinak*

Fee 3.00 Deputy

519 Main City

STATE OF California

County of San Mateo

BE IT REMEMBERED, That on this 9th day of August, 19 68, before me, the undersigned, a Notary Public in and for said county and state, personally appeared the within named Eugene Aiello and Doris E. Aiello, 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 for the purposes therein contained.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Joseph Francis Holland
 Notary Public for

My commission expires June 16, 1970