**COMBINATION REAL PROPERTY MORTGAGE**
**SECURITY AGREEMENT (CHATTEL MORTGAGE)**

Date of This Loan: 3-25-69 | No. 30436 | No. 45218 | VOL. M69 PAGE 2194 | No. 8254

Recording Requested By and Mail to:
LAURENTIDE INDUSTRIAL FINANCE CORPORATION
Address: 432 South Seventh Street
City, County & State: Klamath Falls, Klamath, Oregon 97601

LENDER/MORTGAGEE

BORROWERS/MORTGAGORS:
(1) Victor Bednar — Age: 46
(2) Claudia K. Bednar
Address: 5437 Altamont
City: Klamath Falls, Oregon 97601

| Principal Amount of Note | Number of Payments On Instalment | Amount of Each Payment Except Final On Instalment | Amount of Final Payment, If Any Due On Instalment | Due Date of First Payment On Instalment | Due Date of Note | Credit Insurance Premium |
|---|---|---|---|---|---|---|
| $7260.00 | 60 | $121.00 | $121.00 | 5-10-69 | 3-25-74 | Life $217.80<br>Dis. 283.14<br>Total $500.94 |

Others: Same Day of Each Month

KNOW ALL MEN BY THESE PRESENTS that the undersigned Mortgagor(s) hereby mortgage, pledge, grant, bargain, sell and convey to LAURENTIDE INDUSTRIAL FINANCE CORPORATION, hereinafter termed Mortgagee, (a) that certain motor vehicle(s) described below, together with all equipment and accessories thereto now and hereafter attached, (b) all of the household goods and other chattel property now or hereafter located in or about the premises constituting the Mortgagor's residence at the above stated address (including but not limited to the property hereinafter described), (c) the hereinafter described real property and (d) instalment investment certificate shown above under even date herewith as security for payment of a promissory note in the amount, date and terms stated above. Reference is hereby made to said promissory note for all terms set forth above. Said note further provides that the payment thereof may be enforced by a foreclosure action without waiver of this mortgage. This mortgage also shall secure further payment and additional sums of money as may be loaned from time to time hereafter by said Mortgagee to said Mortgagor, together with interest and charges thereon, but for no greater amount than $1000.00 in excess of the face amount of the presently existing note referred to above, as security for the performance by Mortgagor of each of the following covenants, conditions and agreements as set forth on the reverse hereof which are incorporated herein by this reference.

The mortgaged vehicle(s) is described as follows: NONE

| Year Model | Make | No. Cyl. | Body Type | Serial or I.D. No. | License No. |
|---|---|---|---|---|---|
| | | | | | |

Tract 40, ALTAMONT SMALL FARMS, less a strip of land 10 feet wide along the Westerly boundary line heretofore deeded for road purposes, Klamath County, Oregon.

THAT CERTAIN REAL PROPERTY SITUATED IN KLAMATH CO. COUNTY, STATE OF OREGON, DESCRIBED AS FOLLOWS:

Witness: Kenneth D. Hight
Witness: Lenore Davis

(1) Victor Bednar — Mortgagor
(2) Claudia K. Bednar — Mortgagor

STATE OF OREGON,
County of Klamath }
Filed for record at request of
Transamerica Title Ins. Co.
on this 26 day of March A.D., 19 69
at 11:21 o'clock A M., and duly
recorded in Vol. M-69 of Deeds
Page 2194
Wm D. MILNE, County Clerk
By Donna Ames Deputy
Fee $3.00

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THE COVENANTS, CONDITIONS AND AGREEMENTS OF THIS MORTGAGE ARE AS FOLLOWS:

(1) Mortgagor warrants that he is the sole owner of said property (or from [illegible]).

(2) In the event Mortgagor defaults on any payment of said note or fails to comply with any of the terms and conditions of the note or of this mortgage or a proceeding in bankruptcy, receivership or insolvency be instituted against the Mortgagor or his property, or the Mortgagee deems the said property in danger of misuse or confiscation, the full amount of the note shall, at the election of Mortgagee, be immediately due and payable. It is agreed that the extension of any payment or the acceptance of a part thereof or the failure of the Mortgagee to enforce any other breach hereof shall not be construed as a waiver by the Mortgagee of the strict performance of all the conditions hereof, or a waiver of any subsequent breach and the Mortgagee may nevertheless without notice or demand for performance enforce the mortgage upon the breach by the Mortgagor of any of the conditions herein contained, or upon failure to make prompt payment according to any extension made.

(3) The Mortgagor shall keep said property free of all liens and encumbrances; shall not use the same illegally or improperly; shall not transfer any interest in this mortgage or said property; shall not remove same from the state without permission of the holder of this mortgage. Any sum or money paid by the Mortgagee in payment or discharge of taxes, liens and encumbrances on said property shall be secured by and under this mortgage.

(4) If default be made in the prompt and faithful performance of any of the covenants herein contained or any of the provisions of the note hereby secured, the Mortgagee, or the Mortgagee shall at any time have reasonable ground to deem itself insecure, or if Mortgagor shall sell or assign, or attempt to sell or assign, any part with the possession of said personal property or any part thereof, or if the same shall be attached or levied on under or by virtue of any attachment or execution, or if the Mortgagor shall remove or attempt to remove any personal property from the state of Oregon, or if any liens, claims, taxes, charges or demands which can be made liens upon such property prior to the right of Mortgagee hereunder are not discharged at maturity, or if Mortgagor shall negligently or willfully permit said property to waste or be damaged or destroyed, or if a proceeding in bankruptcy be instituted by or against Mortgagor, or if said property be put to any unlawful or illegal use, or if Mortgagor shall fail to insure and keep insured said property, as herein provided, then said promissory note shall become immediately due and payable and Mortgagee may be found without previous notice or demand for performance, and to sell the same at public or private sale without notice of the time and place thereof to Mortgagor, at which sale Mortgagee may become a purchaser from the proceeds of any such sale of personal property, Mortgagee shall first pay all expenses of retaking, repairing and selling such personal property, including a reasonable attorney's fee, if an attorney shall be employed, and Mortgagor agrees to pay any sum or sums due upon said promissory note secured hereby rendering the surplus, if any, to Mortgagor, provided, that in the event of deficiency, Mortgagor agrees to promptly pay upon demand any balance remaining due. Provided, further, that the Mortgagee may elect to foreclose the chattel mortgage on the personal property in the manner provided by law for foreclosure of chattel mortgages which do not provide within themselves the manner of foreclosure and the consideration of which does not exceed $500.00.

(5) It is understood that this mortgage covers both real and personal property, each having its own separate value and Mortgagor agrees to provide Mortgagee a title policy covering said described real property. In the event of a breach of this mortgage by the Mortgagor in any manner of any of the terms of this mortgage, it is necessary for the Mortgagee to foreclose said mortgage, it is specifically agreed between the parties that the Mortgagee may elect to proceed on that part of the personal property described herein under the terms hereof, without foreclosing or waiving the personal property, may be treated as real property for all purposes or methods of foreclosure, sale or notice, notwithstanding statutory provisions to the contrary. It will not be subject to redemption or at the election of the Mortgagee, the said premises with the appurtenances unto the said Mortgagee, its successors and assigns forever. Said Mortgagor covenants to the Mortgagee, its successors and assigns, that he is the lawful owner in fee simple of said premises, and have a valid, unencumbered title thereto, and will warrant and forever defend the same against all persons that may lawfully claim the same or any part thereof. Said Mortgagor will pay the note above referred to between the parties, principal and interest according to the terms thereof, and that while said note remains unpaid, Mortgagor will pay all taxes, assessments, liens or encumbrances levied or assessed against said real property when due and payable and will keep the buildings now or hereafter erected on said premises insured in the favor of the Mortgagee against loss or damage by fire in a sum not less than the balance due on said note, in companies satisfactory to the Mortgagee, with all insurance policies made payable to the Mortgagee as its interest may appear, and will deliver said policy to the Mortgagee; that they 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 well and truly perform the covenants herein 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 failure to perform any covenant herein or if any proceeding be taken to foreclose any lien on said premises, 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. Each and all of the covenants herein contained shall apply to and bind the heirs, executors, administrators and assigns of said Mortgagor.

(6) No transfer, renewal, extension or assignment of this mortgage, or any interest hereunder, or loss, injury, or destruction of said property shall release the Mortgagor from his obligation hereunder, the assignees shall be entitled to all the rights of the Mortgagee.

(7) Mortgagor hereby waives the right to remove any legal action from the court originally acquiring jurisdiction, and waives all homestead and other property exemption laws. Any provisions of this mortgage prohibited by law of any state shall be ineffective to the extent of such prohibition without invalidating the remaining provisions of the mortgage.

STATE OF OREGON
COUNTY OF

BE IT REMEMBERED that on this 25 day of March, 19 69, before me, the undersigned, a Notary Public in and for the said County and State, personally appeared the within named Victor Bednar and Claudia K. Bednar Husband and Wife

who is/are known to me to be the identical individual(s) described in and who executed the within instrument and acknowledged to me that he/she/they executed the same freely and voluntarily for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and Notarial Seal the day and year last above written.

Notary Public for Oregon

My Commission Expires 11-9-70

STATE OF OREGON,
County of Klamath

Filed for record at request of
Transamerica Title Ins. Co.

on this 26 day of March A.D., 19 69
at 11:21 o'clock A.M., and duly
recorded in Vol. M-69 of Deeds
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WM. D. MILNER County Clerk
By Anne James Deputy

Fee $3.00