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THIS MORTGAGE, Made this 2nd day of June, 1969,
by FIDELITY MORTGAGE COMPANY, INC., a California Corporation, Mortgagee,
to E. THARALSON and AGNES H. THARALSON, husband and wife, Mortgagee,

WITNESSETH, That said mortgagor, in consideration of Forty-One Thousand 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:

Beginning at a point on the East line of Section 10, Township 36 South, Range 10 East, W.M. at a point 1200 feet North of the Southeast corner of said Section 10; thence North 89° 23' 35" West 1650.00 feet; thence North 00° 36' 25" West 1440 feet more or less to the East West line through the center of said Section 10; thence East along said centerline, 1650 feet more or less, to the East boundary line of said Section 10; thence South 00° 36' 25" East along said boundary line to the point of beginning. EXCEPTING the following described parcel: Commencing at a point where the West boundary line of the County Road intersects the North boundary line of the Southeast 1/4 of said Section 10, which point is approximately 30 feet West of the Northeast corner of said Southeast 1/4 of Section 10; thence West 10 rods; thence South 30 rods; thence Southeasterly a distance of 10.82 rods to the Western boundary line of said County Road; thence North along the West boundary line of said County Road a distance of 34 rods to the place of beginning.

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

\$ 41,000.00 Covina, California June 2, 1969
Each of the undersigned promises to pay to the order of E. Tharalson and Agnes H. Tharalson, husband and wife, at Covina, California
Forty-One Thousand and no/100 DOLLARS,
with interest thereon at the rate of 8 percent per annum from June 2, 1968 until paid, payable in Quarterly installments of not less than \$1,465.00 in any one payment; interest shall be paid with principal and in addition to the minimum payments above required; the first payment to be made on the 1st day of January, 1970, and a like payment on the 1st day of April, July and October thereafter, until the whole sum, principal and interest has been paid; if any of said installments is not paid, the whole sum of both principal and interest to 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 holder's reasonable collection costs, including reasonable attorney's fees, even though no suit or action is filed hereon; however, if such suit or action is filed, the amount of such reasonable attorney's fees shall be fixed by the court, or courts in which the suit or action, including any appeal therein, is tried, heard or decided.
Due October 1, 1976
At No. FIDELITY MORTGAGE COMPANY, INC.
By: /s/ E. Tharalson, President
By: /s/ Eric Tharalson, Secretary

FORM No. 217—INSTALLMENT NOTE (Oregon UCC) 55BE

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

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, 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 shall be delivered to the mortgagee as soon as insured. Now if the mortgagor shall fail for any reason to procure any such insurance and to deliver said policies 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.

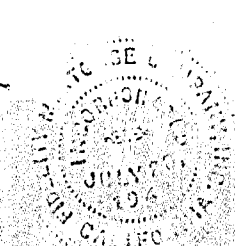
Now, therefore, it said mortgagor shall keep and perform the covenants herein contained and shall pay said note according to its terms, this conveyance shall be void, but otherwise shall remain in full force as a mortgage to secure the performance of all of said covenants and the payment of said note; 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 and 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.

It is expressly understood and agreed that Mortgagor intends to subdivide and plat the property herein-described, and Mortgagee agrees that it will join in the execution of the plat to release the dedicated roads from the lien of this Mortgage.

It is further understood and agreed that Mortgagee will release from the lien of this Agreement any lot or parcel upon payment of a fee of \$725.00 per acre so released. This release privilege shall not include the parcel or lot upon which the dwelling house is located. The dwelling house and lot may be released upon payment of a fee of \$20,000.00. Any amount so paid for a partial release shall be applied first to the quarterly payment next in order with any surplus to be applied to the remaining balance of said debt as evidenced by copy of the note attached hereto.

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



E. Tharalson Pres (SEAL)
Eric Tharalson, Secy (SEAL)
 (SEAL)

MORTGAGE
 (FORM No. 105A)

TO _____

STATE OF OREGON,
 County of Klamath

I certify that the within instrument was received for record on the _____ day of _____, 19____, at _____ o'clock _____ M., on _____ and recorded in book _____ on page _____, Record of Mortgages of said County.

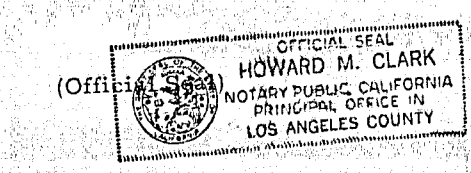
Witness my hand and seal of _____ County affixed.

By *[Signature]* J. M. Irie
 County Clerk-Recorder
 Deputy
Ret. W. H. Lang
1123 So. San Gabriel Blvd.
San Gabriel, Cal. 91776

STATE OF CALIFORNIA) ss.
 County of Los Angeles)

June 2, 1969

Personally appeared E. THARALSON, President and ERIC THARALSON, Secretary who being duly sworn, each for himself and not one for the other, did say that the former is the PRESIDENT and that the latter is the SECRETARY of FIDELITY MORTGAGE COMPANY, INC., a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed.



Before me: *[Signature]*
 Notary Public for California
 My commission expires: _____
 HOWARD M. CLARK, Notary Public - Cal.
 COM. EXP. JAN. 9, 1971 - LOS ANGELES CO.
 1120 S San Gabriel Blvd., San Gabriel, Ca. 91776