

33570

MORTGAGE

VOL. 769 PAGE

5945

THIS MORTGAGE, Made the 2nd day of July, 1969
by

DONALD J. GRAY and WILMA L. GRAY, husband and wife,

Mortgagors, unto THE OREGON BANK, an Oregon Corporation, Mortgagee,

WITNESSETH: That the said Mortgagors, in consideration of the sum of SIXTEEN THOUSAND
SIX HUNDRED FIFTY AND NO/100THS (\$ 16,650.00) Dollars,
the receipt of which is acknowledged; and for the purpose of securing the repayment of the said sum with interest, and the performance
of the covenants hereinafter contained, do hereby grant, convey, mortgage and warrant unto the said Mortgagee the lands, premises
and property situated in the County of Klamath and State of Oregon, described as follows, to-wit:

Tract 7 of ALTAMONT SMALL FARMS, Klamath County, Oregon.

TO HAVE AND TO HOLD the granted premises and property, together with the tenements, hereditaments, rights, privileges
and appurtenances, now or hereafter belonging to or used in connection with the above described premises including all buildings
and improvements thereon (or that may hereafter be erected thereon), together with the reversions and remainders, rents, issues
and profits thereof, and all plumbing, heating, cooking, cooling, ventilating apparatus, and fixtures and machinery now or hereafter
belonging to or used in connection with the above described premises, including window shades, venetian blinds, screens and storm
windows and doors, shutters and awnings. And in addition thereto the following described household appliances and any replacements
thereof, which are and shall be deemed to be, fixtures and a part of the realty, and are a part of the security for the indebtedness
herein mentioned:

And the Mortgagors hereby covenant with the said Mortgagee as follows:

FIRST: The Mortgagors will pay to the order of the Mortgagee at such place as may be designated in said order the sum above design-
ated as consideration for this mortgage together with interest thereon, said sum to be paid in accordance with the terms of a certain
promissory note or notes bearing even date herewith, executed by the Mortgagors to the Mortgagee, which said note or notes have a final
maturity of October 25, 1969.

SECOND: The security of this mortgage shall also extend to and cover any additional loan or loans or advances made by the
Mortgagee to the Mortgagor or any of his Successors in ownership in the real estate hereby conveyed; provided that the total indebtedness
to be secured hereby shall not exceed the original face amount of this mortgage and provided further that the maturity of such additional
debt shall not be later than the time specified for the payment of the original debt secured hereby. This paragraph shall not, however,
restrict or affect other advances, including any advances for taxes and insurance, provided for elsewhere herein.

THIRD: The Mortgagors are lawfully seized of the above described premises and property in fee simple, and are the sole
and exclusive owners thereof and have the right to mortgage same and will forever warrant and defend the title thereto against the
lawful claims of all persons whomsoever. The said premises and property are free from all encumbrances and liens.

FOURTH: During the entire life of this mortgage the building and improvements erected and to be erected upon said premises, and the personal property mortgaged herein if any, shall be kept insured by the Mortgagors against loss or damage by fire and such other hazards in such amounts, for such periods and under such form and type of policy as shall be satisfactory to the Mortgagee. All the insurance written on the mortgaged premises and property shall be made payable, in the event of loss, to the Mortgagee and the Mortgagee shall be entitled to the possession of all such insurance policies during the life of this mortgage. The cash value of all such insurance policies is hereby assigned to the Mortgagee as additional security to the loan and in event of foreclosure of this mortgage or other transfer of title to the mortgaged property in extinguishment of the debt secured hereby, all right, title and interest of the Mortgagor in and to any such insurance policies then in force shall pass to the Mortgagee. The Mortgagors will pay the premiums for said insurance as the same shall become due. The Mortgagee shall not be responsible for any failure to place or maintain such insurance, or for loss or damage growing out of a defect or non-payment of loss under any such policy of insurance. If the premises or property covered hereby, or any part thereof, shall be damaged by fire or other hazards against which insurance is held, the amounts paid by any insurance company pursuant to the contract of insurance, shall be paid to the Mortgagee and the amounts so received may be applied by the Mortgagee, at its option, either upon any sum or sums secured by the mortgage, whether or not same are due, or released by the Mortgagee, at its option, for the repairing, replacing and rebuilding of the premises and property; said repairing, replacing and rebuilding to be done and made subject to the approval of the Mortgagee and in a manner satisfactory to the Mortgagee.

FIFTH: The Mortgagors will pay before delinquency, and before any penalties, interest or other charges accrue or are added thereto, any and all taxes, assessments, liens, charges for the use of water on said premises, and any other charges or assessments which may become liens thereon prior to the lien of this mortgage, and will keep said property free and clear of any and all liens for labor or material, or any lien whatsoever that may become prior to this mortgage. If any future law is passed taxing or assessing this mortgage or the Mortgagee on account of its ownership of this mortgage, then the Mortgagee may, upon the passing of such law, declare the entire debt hereby secured due and payable.

SIXTH: Together with and in addition to the monthly payments of principal and interest payable under the terms of the note or notes secured hereby, the Mortgagors at the option of the Mortgagee will pay to the Mortgagee, until the said note or notes are fully paid, the following:

A sum equal to the premiums that will next become payable on policies of fire and other hazard insurance covering the mortgaged property, plus taxes and assessments next due on the mortgaged property (all as estimated by the Mortgagee, and of which the Mortgagors are notified) less all sums already paid therefor, divided by the number of months to elapse before one month prior to the date when such premiums, taxes and assessments will become delinquent, such sums to be held by Mortgagee in trust to pay such premiums, taxes and assessments.

SEVENTH: The Mortgagors will use said mortgaged premises only for lawful purposes and will not commit nor suffer strip or waste upon said premises and will not do or suffer to be done any act or thing which may in any way impair the security of this mortgage. The said premises and any and all improvements thereon shall at all times be kept in a sound state of preservation and in good repair; the character and usage of said property shall not be changed, and alterations in the said premises or additions thereto shall not be made without the written consent of the Mortgagee. Any structure being constructed on said premises at the date hereof shall be completed within six months. In the event of an actual or threatened destruction or removal of the improvements or property on said premises, the Mortgagee may, at its option, declare the entire debt hereby secured due and payable. All judgments, decrees and awards for injury to the mortgaged property and all awards pursuant to proceedings for condemnation thereof are hereby assigned in their entirety to the Mortgagee, who may apply the same to the indebtedness hereby secured in such manner as it may elect.

EIGHTH: This mortgage and the note or notes hereby secured may be extended or modified by the Mortgagee at any time for the payor hereunder without notice to any other person, firm or corporation and without releasing the Mortgagors or any subsequent guarantor or payor from any liability hereunder or under said note or notes and without impairing, altering or affecting the lien of this mortgage in any way. Each of the covenants and agreements herein shall be binding upon all successors in interest of each of the Mortgagors and shall inure to the benefit of any successor in interest of the Mortgagee. And it is agreed that if any note or notes secured hereby be assigned and transferred by the Mortgagee to any one or more parties without the assignment of this mortgage, then the Mortgagee shall hold this mortgage in trust for the benefit of such assignee or assignees, and may sue and recover upon such note or notes, and foreclose such mortgage in its own name for the benefit of such assignee or assignees to the same extent as though such notes had not been assigned.

NINTH: All rents, issues, income and profits derived from the mortgaged premises and property are hereby assigned to the Mortgagee as additional security. In the event of default of the Mortgagors in any respect under this mortgage, the Mortgagee shall have the right to collect and retain the rents, issues, income and profits derived from the mortgaged premises and property, and said rents, issues, income and profits shall be applied by the Mortgagee, at its option, in payment of operating costs and expenses in connection with the operation and management of the mortgaged premises, in payment of customary costs and charges for collection and management, or upon any indebtedness due or which may become due upon said note or notes, or upon or under this mortgage. The Mortgagee shall have the right at its option to enter into and upon the mortgaged premises and take possession thereof in the event of default and to collect said rents, issues, income and profits therefrom and require any tenants or occupants of said premises to make payments to the Mortgagee of rental or of other charges arising out of the use and occupancy of said premises.

TENTH: In the event it becomes necessary in the judgment of the Mortgagee so to do, the Mortgagee, without notice and without regard to the value of the mortgaged premises or to the adequacy of the security for the debt, shall have the right to apply to any Court having jurisdiction for the appointment of a Receiver and to have appointed a Receiver to manage and control said mortgaged premises and property. In the event the Mortgagee or any Receiver enters into possession of said premises and property, any personal property owned by the Mortgagors and remaining in or about said premises may be used without charge by the Mortgagee or Receiver in the operation of the premises, or may be removed by the Mortgagee or Receiver, and in no event shall the Mortgagee or Receiver be held liable or responsible in any manner for injuries, loss, destruction or damage to such property or any portion thereof.

ELEVENTH: In any suit to foreclose this mortgage or to collect any charge growing out of the debt hereby secured, or in any suit which the Mortgagee may be obliged to defend to effect or protect the lien hereof, or should an attorney be employed by the Mortgagee in connection herewith, the Mortgagors agree to pay a reasonable sum as attorney's fees and all costs and legal expenses in connection with said suit or employment, and further agree to pay the reasonable costs of searching records and abstracting or insuring the title, and such sum shall be secured hereby and included in the decree of foreclosure.

TWELFTH: Should the Mortgagors be or become in default in any of the covenants or agreements contained herein, then the Mortgagee (whether electing to declare the whole indebtedness hereby secured due and collectible or not) may perform the same and all expenditures made by the Mortgagee in so doing, or under any of the covenants or agreements herein, shall draw the same rate of interest as is provided to be paid on the principal of this mortgage, and all such expenditures shall be repayable by the Mortgagors without demand, and together with interest and costs accruing thereon, shall be secured by this mortgage; and the rights and duties of the parties covenanted for in this paragraph shall apply equally to any and all part payments or advances made by the Mortgagee for any of the purposes herein referred to.

THIRTEENTH: That in the event of a sale of the above described premises, or any part thereof, or in the event that the Mortgagors' ownership of the above described premises, or any part thereof, shall be terminated by action of law or otherwise, without the written consent of the Mortgagee being first obtained, this mortgage shall at the Mortgagee's election become immediately due and payable.

5947

FOURTEENTH: Should the debt hereby secured and all sums due under the terms and covenants hereof be paid when due, then this indenture shall be void, but in case default be made in the payment of the principal or interest, or any part or installment thereof, or in case the Mortgagors shall fail or refuse or default in the payment of any sum which may become due under the terms hereof when and as the same become due, or shall default in the fulfillment of any of the terms hereof or the performance of any of the provisions herein required by them as and when the same are required to be performed hereby, or shall permit or suffer any default in any of the terms hereof, time being the essence hereof, then the whole of the principal sum secured hereby and the interest thereon and any and all other sums due the Mortgagee under the terms hereof shall, at the option of the Mortgagee, become immediately due and payable without notice, and this mortgage may be foreclosed, but the failure or delay of the Mortgagee to exercise such option in any one or more instances shall not be a waiver or relinquishment of the right to exercise such option.

EXECUTED the day and year first above written.

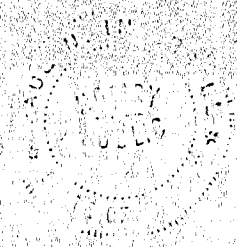
Donald J. Gray
Donald J. Gray
Wilma L. Gray
Wilma L. Gray

STATE OF OREGON }
County of Klamath } ss.

THIS CERTIFIES, That on this 2nd day of July, A. D. 1969, before me, the undersigned, a notary public in and for said County and State, personally appeared the within named Donald J. Gray and Wilma L. Gray, who are known to me to be the identical individuals described in and who executed the within instrument, and acknowledged to be me that they executed the same as their free act and deed, for the uses and purposes therein expressed.

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

Paul J. Russell
Notary Public for Oregon
My Commission expires Sept 24 1973



STATE OF OREGON; COUNTY OF KLAMATH; ss.
Filed for record at request of Transamerica Title Ins. Co.

this 8th day of July, A. D. 1969 at 3:26 o'clock P. M.
duly recorded in Vol. M-69, of Mortgages on page 5945

Fee \$4.50

Wm D. MILNE, County Clerk
By *Charles H. Harstman*
Deputy

26