55263

Vol. 1) Page

MORTGAGE

Aug	ust 11, , 19.71
	Mortgagor
KENNATH K. MAGEE AND JO ANNE MAGEE, husband and wife	Address
KENNATH K. MAGRE AND 30 Math Falls, Oregon * * 4305 Denver Avenue, Klamath Falls, Oregon * Klamath Fall	Branch
4305 Denver Avenue, Klamath Falls, Oregon William States National Bank of Oregon, * Klamath Fall	Address
740 Main Street, Klamath Falls, Oregon	* (Borrower)
740 Main Street, Atamater Mortgagor * *	
The Rank has logged	

dated the same as this , which is repayable with interest according to the terms of a promissory note dated the same as this mortgage, under which the final payment of principal and interest is due on or before_nine_months_

To secure payment of the Indebtedness and performance of all obligations of Mortgagor under this mortgage, Mortgagor mortgages to the Bank on the terms set out below the following property in_____

A parcel of land in SE's of SE's of Sec. 7, Township 38 South, Range 9, East of the Willamette Meridian, Klamath County, Oregon. More particularly described as thus:

Beginning at a 2" iron pipe which is North 0°28' East 1335.4 feet from the SE corner of

South 0°28' West 389.24 feet to a ½" iron pin; thence South 82°28' West 767.0 feet to a $\frac{1}{2}$ " iron pin which is also the easterly right of way of

along easterly right of way of County Road North 19005 West 100.0 feet to a point; thence

North 10053 West along easterly right of way 100.0 feet to a point; thence North 8038' West 304,2 feet along easterly right of way of County Road to a 2" iron pin South 8038' West 304,2 feet along easterly right of way of County Road to a 2" iron pin South 8038' West 304,2 feet along easterly right of way of County Road to a 2" iron pin

together with all appurtenances, all existing or subsequently erected or affixed improvements or fixtures, and all equipment, furnishings and other articles of personal property now or subsequently located on or used in connection with the property, all of which is collectively referred to as the Property.

1. Possession and Maintenance of the Property.

1.1 Until in default, Mortgagor shall remain in possession and control of the Property and to the extent that the Property consists of commercial improvements shall be free to operate and manage the Property and receive the proceeds of operation. The Property shall be maintained in good condition at all times, Mortgagor shall promptly make all necessary repairs, replacements and renewals so that the value of the Property shall be maintained, and Mortgagor shall not commit or permit any waste on the Property. Mortgagor shall comply with all laws, ordinances, regulations and private testrictions affecting the Property.

1.2 To the extent that the Property constitutes commercial property or a farm or orchard, Mortgagor shall operate the Property in such manner as to prevent deterioration of the land and improvements including fences, except for reasonable wear and tear from proper use, and to the extent that the land is under cultivation, shall cultivate or otherwise operate the Property according to good husbandry.

1.3 Mortgagor shall not demolish or remove any improvement from the Property without the written consent of Bank.

2. Completion of Construction.

If some or all of the proceeds of the loan creating the Indebtedness are to be used to construct or complete construction of any improvement on the Property, the improvement shall be completed on or before six months from the date of this mortgage and Mortgagor shall pay in full all costs and expenses in connection with the work.

3. Taxes and Liens.

3.1 Mortgagor shall pay before they become delinquent all taxes and assessments levied against or on account of the Property, and shall

pay as due all claims for work done on or for services rendered or material furnished to the Property. Mortgagor shall maintain the Property free of any liens having priority over or equal to the interest of the Bank under this mortgage, except for the lien of taxes and assessments not delinquent and except as otherwise provided in 3.2.

3.2 Mortgagor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as the Bank's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Mortgagor shall within 15 days after the lien arises or, if a lien is filed, within 15 days after Mortgagor has notice of the filing, secure the discharge of the lien or deposit with the Bank cash or a sufficient corporate surety bond or other security satisfactory to the Bank in an amount sufficient to discharge the lien plus any costs, altorneys' fees or other charges that could accrue as a result of a foreclosure or sale under the lien.

3.3 The assessor or tax collector of the county in which the Property is located is authorized to deliver to the Bank a written statement of the property taxes assessed or owing at any time.

4.1 Mortgagor shall carry such insurance as the Bank may reasonably require. This shall include insurance on the Property against fire, additional risks covered by a standard endorsement for extended coverage, and such other risks as may be specified by the Bank including without limitation war risks. Insurance on the Property shall be carried in companies and under policies approved by the Bank and shall be for an amount equal to the remaining unpaid portion of the Indebted-ness or the full insurable value of the Property, whichever is less, and an amount sufficient to comply with any co-insurance provision in any

4.2 All policies of insurance on the Property shall bear an endorse ment in a form satisfactory to the Bank making loss payable to the Bank and shall be deposited with the Bank. In the event of loss, Mortgagor shall immediately notify the Bank, who may make proof of loss if it is

*Insert "Mortgagor" or the name of the borrower if different from the Mortgagor.

90-847 7/68 Head Office Portland

not made promptly by Mo the Bank who may compro a final settlement which sh may, at its election, apply edness or the restoration o 4.3 At least 30 days p

factory renewal or substitu

5. Reserves; Mortgage

5.1 The Bank may req ment of taxes (including sp the Property by government miums on insurance or bot each month to the Bank of sufficient to produce, at I equal to or in excess of t If at the time that paymen or insurance premiums is in such additional sum as the the required payment.

5.2 If the Bank carrie any part of the Indebtedr paid by Mortgagor, and t reserve for such purpose i

5.3 If Mortgagor des includes coverage in add Bank may at its option c pose. In such event the p coverage shall be quote gagor to furnish a certific as required in 4.2. If at a in the insurance reserve policy, the Bank may, premium attributable to policy does not permit reserve funds for the pre required insurance cover The Bank may from time the collection and disbur

6. Expenditures by t If Mortgagor shall fa the Bank may, at its of action and any amount

Indebtedness, Amounts interest at the rate of to ture. The rights provide any other rights or any account of the default, action cure the default

7. Late Payment Per If any payment unc

may charge a penalty in arrears to cover the payments. Collection waiver of or prejudic remedy available on a

8. Warranty; Defen

8.1 Mortgagor wo Property in fee simple merated in the title p connection with this to 8.2 Subject to th

n the event any act Mortgagor's title or the rower shall defend the

9. Condemnation.

9.1 If all or any at its election require award be applied on shall mean the awar and attorneys' fees n Bank in connection v

9.2 If any proce-promptly take such s obtain the award.

10. Imposition of 10.1 The follow graph applies:

(a) A specthe Indebtednes (b) A spec the taxpayer is

(b) A specific tax on the owner of mortgaged property which the taxpayer is authorized or required to deduct from payments (e) The right in connection with any legal proceedings to have a receiver appointed to take possession of any or all of the 8466 Property, with the power to protect and preserve the Property and to declare a default and exercise its remedies under this paragraph 15. 15.5 In the event suit or action is instituted to enforce any of the to operate the Properly preceding foreclosure or sale and apply the proceeds, over and above cost of the receivership, against the 15.5 In the event suit or action is instituted to entorce any of the terms of this mortgage, the Bank shall be entitled to recover from Mortgagor such sum as the court may adjudge reasonable as Attorneys' fees at trial and on any appeal. All reasonable expenses incurred by the Bank that are necessary at any time in the Bank's opinion for the Indebtedness. The receiver may serve without bond if permitted by law. The Bank's right to the appointment of a receiver shall exist whether or not apparent value of the Property exceeds the Indebtprotection of its interest or the enforcement of its rights, including without limitation, the cost of searching records, obtaining title reports, suredness by a substantial amount. (f) Any other right or remedy provided in this mortgage or the promissory note evidencing the Indebtedness. veyors' reports, attorneys' opinions or title insurance, whether or not any court action is involved, shall become a part of the Indebtedness payable on demand and shall bear interest at the rate of ten percent 15.2 In exercising its rights and remedies, the Bank shall be free to sell all or any part of the Property together or separately or to sell certain portions of the Property and refrain from selling other portions. per annum from the date of expenditure until repaid. The Bank shall be entitled to bid at any public sale on all or any por-Any notice under this mortgage shall be in writing and shall be effective when actually delivered or, if mailed, when deposited as registered or certified mail directed to the address stated in this mortgage. Either party may change the address for notices by written notice to the other certification. tion of the Property. 15.3 The Bank shall give Mortgagor reasonable notice of the time and place of any public sale of any personal property or of the time after which any private sale or other intended disposition of the property is to be made. Reasonable notice shall mean notice given at least ten days before the time of the sale or disposition. to the other party. 17. Succession: Terms. 15.4 A waiver by either party of a breach of a provision of this 17.1 Subject to the limitations stated in this mortgage on transfer agreement shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other of Mortgagor's interest, this mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns. otherwise to demand strict compliance with that provision of the provision. Election by the Bank to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or take action to perform an obligation of Mortgagor under this mortgage after failure of Mortgagor to perform shall not affect the Bank's right 17.2 In construing this mortgage the term mortgage shall encompass the term security agreement when the instrument is being construed with respect to any personal property. CORPORATE ACKNOWLEDGEMENT INDIVIDUAL ACKNOWLEDGEMENT STATE OF OREGON, County of_ STATE OF OREGON, County of Klamath August 11, Personally appeare Personally appeared the above-name , who, being sworn, stated Kenneth K. Magee and Johnne Magee that he, the said. , and he, the said_ of Grantor corporation and that and acknowledged the foregoing instrument to be__their the seal affixed hereto is its seal and that this deed was voluntarily signed and sealed in behalf of the corporation by authority of its Board of Directors. Before me: Notary Public for Oregon

Apr 11 12, 1975

My commission expires: Notary Public for Oregon

PARTNERSHIP ACKNOWLEDGEMENT

acknowledged to me that __he__ executed said instrument freely and voluntarily for the purposes and use therein mentioned, on behalf of

Notary Public in and for said County and State.

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

before me, the undersigned, a Notary Public in and for said County and State, the within named known to me to be the person___ named in and who executed the foregoing instrument and who__

S. PUBLIC

STATE OF OREGON

THIS CERTIFIES that on this_

__member____ of the partnership of

740 Main Street Klemath Falls

tate Elzn