

THIS INDENTURE, made this 15th day of March 1972, between:

-- Tom Jaskoski Dist., Inc., an Oregon Corporation --

hereinafter called Mortgagor, and WESTERN SECURITY BANK, an Oregon corporation, hereinafter called Mortgagee;

WITNESSETH: For value received by the Mortgagor from the Mortgagee, the Mortgagor has bargained and sold and does hereby grant, bargain, sell and convey unto the Mortgagee, all the following described property situate in Klamath County, Oregon, to wit:

Lot 135 of PLEASANT HOME TRACTS No. 2, Klamath County Oregon.

SUBJECT TO: A certain mortgage, including the terms and provisions thereof, executed by Vernon H. Gauthier and Josephine Gauthier, husband and wife, as Mortgagors to First Federal Savings and Loan Association of Klamath Falls, Oregon, a federal corporation, as mortgagee, dated September 5, 1969, recorded September 11, 1969 in Volume M-69 at Page 7834, Microfilm, records of Klamath County, Oregon, to secure the payment of \$42,400.00 and future advances, which mortgage the grantee herein expressly assumes and agrees to pay according to the provisions thereof.

together with the tenements, hereditaments and appurtenances now or hereafter thereunto belonging or in anywise appertaining; also all such apparatus, equipment and fixtures now or hereafter situate on said premises, as are ever furnished by landlords in letting unfurnished buildings similar to the one situated on the real property hereinabove described, including, but not exclusively, all fixtures and personal property used or intended for use for plumbing, lighting, heating, cooking, cooling, ventilating or irrigating, linoleum and other floor coverings attached to floors, and shelving, counters, and other store, office and trade fixtures; also the rents, issues and profits arising from or in connection with the said real and personal property or any part thereof.

TO HAVE AND TO HOLD the same unto the Mortgagee, its successors and assigns, forever.

And the Mortgagor does hereby covenant to and with the Mortgagee, that he is lawfully seized in fee simple of the said real property, that he is the absolute owner of the said personal property, that the said real and personal property is free from encumbrances of every kind and nature, and that he will warrant and forever defend the same against the lawful claims and demands of all persons whomsoever.

This conveyance is intended as a mortgage to secure performance of the covenants and agreements herein contained, to be by the Mortgagor kept and performed, and to secure the payment of the sum of \$10,750.00 and interest thereon in accordance with the tenor of a certain promissory note executed by Tom Jaskoski Dist., Inc., an Oregon corporation

dated March 15, 1972, payable to the order of the Mortgagee in ~~the sum of \$10,750.00~~ one payment of \$10,750.00 due September 15, 1972, interest to be paid quarterly.

The Mortgagor does hereby covenant and agree to and with the Mortgagee, its successors and assigns:

1. That he will pay, when due, the indebtedness hereby secured, with interest, and all taxes, liens and utility charges upon said premises or for services furnished thereto. At the option of the Mortgagee, the Mortgagor will pay, at the time of payment of each installment of principal and interest, such amount as the Mortgagee shall estimate to be sufficient to produce, at least one month prior to the time when payment thereof shall become due, the amount of (a) taxes, assessments and other governmental rates and charges against said premises, and (b) premiums upon insurance against loss or damage to said premises. If the sums so paid shall not suffice to produce the amount required for said purposes at least one month before payment thereof becomes due, he will also pay, upon demand, such amount as may be required therefor. The Mortgagee shall, upon the written direction of the Mortgagor, and may, without such direction, apply said funds to the purposes aforesaid, but the receipt of such funds shall not, in the absence of such direction, impose any duty upon the Mortgagee to disburse the same or relieve the Mortgagor from his covenants to pay the said obligations or to keep the premises insured.

2. That he will not commit or permit strip or waste of the said premises or any part thereof; that he will keep the real and personal property hereinabove described in good order and repair and in tenantable condition; that he will promptly comply with any and all municipal and governmental rules and regulations with reference thereto; that if any of the said property be damaged or destroyed by any cause, he will immediately reconstruct or repair the same so that, when completed, it shall be worth not less than the value thereof at the time of such loss or damage; provided that if such loss or damage shall be caused by a hazard against which insurance is carried, the obligation of the Mortgagor to repair or reconstruct shall not arise unless the Mortgagee shall consent to the application of insurance proceeds to the expense of such reconstruction or repair.

3. That he will, at his own cost and expense, keep the building or buildings now or hereafter upon said premises, together with all personal property covered by the lien hereof, insured against loss by fire and against loss by such other hazards as the Mortgagee may from time to time require, in one or more insurance companies satisfactory to or designated by the Mortgagee in an aggregate amount not less than the amount of the indebtedness hereby secured (unless the full insurable value of such building or buildings is less than the amount hereby secured in which event the Mortgagor shall insure to the amount of the full insurable value); that all policies of insurance upon said premises, including policies in excess of the amount hereinabove mentioned and policies against other hazards than those required, shall contain such provisions as the Mortgagee shall require and shall provide, in such form as the Mortgagee may prescribe, that loss shall be payable to the Mortgagee; that all such policies and receipts showing full payment of premiums therefor shall be delivered to and retained by the Mortgagee during the existence of this mortgage; that at least five (5) days prior to the expiration of any policy or policies he will deliver to the Mortgagee satisfactory renewals thereof together with premium receipts in full; that if any policy or policies shall impose any condition upon the liability of the insurer or shall contain any "average clause" or other provision by which the insurer may be liable for less than the full amount of the loss sustained, he will, as often as the Mortgagee may require provide the Mortgagee with all such evidence as it may request concerning the performance of such condition or the existence of any facts or the value of the property insured and, if it shall appear to the Mortgagee that the insurance is prejudiced by the acts or omissions of the Mortgagor or that the coverage is inadequate, the Mortgagor will do such acts and things and obtain such further insurance as the Mortgagee may require; that the Mortgagee may, at its option, require the proceeds of any insurance policies upon the said premises to be applied to the payment of the indebtedness hereby secured or to be used for the repair or construction of the property damaged or destroyed.

4. That he will execute or procure such further assurance of his title to the said property as may be requested by the Mortgagee.

5. That in case the Mortgagor shall fail, neglect or refuse to do or perform any of the acts or things herein required to be done or performed, the Mortgagee may, at its option, but without any obligation on its part so to do, and without waiver of such default, procure any insurance, pay taxes or liens or utility charges, make any repairs, or do any other of the things required, and any expenses so incurred and any sums so paid shall bear interest at the same rate per annum as the mortgage debt bears and shall be secured hereby.

6. That, if any default be made in the payment of the principal or interest of the indebtedness hereby secured or in the performance of any of the covenants or agreements of this mortgage, the Mortgagee may, at its option, without notice, declare the entire sum secured by this mortgage due and payable and foreclose this mortgage.

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7. In case default occurs on the part of the Mortgagors in the performance by them of any covenant or agreement herein contained, at any time while said premises are rented and / or vacant, then, and in such event, so long as such default continues, the Mortgagee shall have the exclusive right to collect the rental and the whole thereof from said premises and apply the same as payment hereon, and / or the Mortgagee may take possession of said premises, expel any occupant thereof, if it consider such course advisable, and manage, repair and rent such property at such rental and on such terms as it may consider sufficient, and charge and collect the entire rent therefor from the date of taking possession or letting; and any and all rentals so obtained by it hereby are assigned to said mortgagee. If and when collected, said rentals shall be applied in payment of necessary repairs, operating expenses, the customary charges for renting and thus managing said property, and the remainder to the payment of the obligations hereunder. In no event is the right to such entry, management, collection and application of rents to affect or restrict the right of the Mortgagee to foreclose this mortgage in case of default, or to pursue any other remedy afforded at law or in equity.

8. The Mortgagor shall make no sale of the above described property subject to or with assumption of the obligation secured by this mortgage without first obtaining the written consent thereto of the Mortgagee. Such approval, however, shall not be unreasonably withheld; provided that before the Mortgagor shall be entitled to such approval, the Mortgagee shall be furnished on a form supplied by the Mortgagee with such personal information concerning the purchaser as would ordinarily be required of a new loan applicant and shall be paid a service charge as fixed and determined by the Mortgagee, but in no event in excess of one per cent (1%) of the amount of the original note or notes secured by this mortgage, and provided further that as an additional requirement for such approval, the Mortgagee may, at its option and in its sole discretion, either decrease or increase the contractual interest rate upon the unpaid balance of the obligation secured by this mortgage, but shall not increase the rate more than one per cent (1%) above the existing contractual rate. The service charge may, at the option of the Mortgagee, be added to the principal balance of the indebtedness secured by the mortgage.

9. That, in the event of the institution of any suit or action to foreclose this mortgage, and in the event of any appeal thereof, the Mortgagor will pay such sums as the court may adjudge reasonable as attorney's fees in connection therewith and such further sums as the Mortgagee shall have paid or incurred for extensions of abstracts or title searches or examination fees in connection therewith, whether or not final judgment or decree therein be entered and all such sums are secured hereby; that in any such suit, the court may, upon application of the plaintiff and without regard to the condition of the property or the adequacy of the security for this indebtedness hereby secured and without notice to the Mortgagor or anyone else, appoint a receiver to take possession and care of all said mortgaged property and collect and receive any or all of the rents, issues and profits which had theretofore arisen or accrued or which may arise or accrue during the pendency of such suit; that any amount so received shall be applied toward the payment of the debt secured hereby, after first paying therefrom the charges and expenses of such receivership; but until a breach or default by the Mortgagor in one or more of his covenants or agreements herein contained, he may remain in possession of the mortgaged property and retain all rents actually paid to and received by him prior to such default.

10. The word "Mortgagor", and the language of this instrument shall, where there is more than one mortgagor, be construed as plural and be binding jointly and severally upon all mortgagors, and the word "Mortgagee" shall apply to any holder of this mortgage. Masculine pronouns include feminine and neuter. All of the covenants of the Mortgagor shall be binding upon his heirs, executors, administrators, successors and assigns of the Mortgagee. In the event of any transfer of the property herein described or any part thereof or any interest therein, whether voluntary or involuntary or by operation of law, the Mortgagee may, without notice to the Mortgagor or anyone else, extend the time of payment, execute releases or partial releases from the lien of this mortgage or in any other respect modify the terms hereof without thereby affecting the personal primary liability of the Mortgagor for the payment of the indebtedness hereby secured. No condition of this mortgage shall be deemed waived unless the same be expressly waived in writing by the Mortgagee. Whenever any notice, demand, or request is required by the terms hereof or by any law now in existence or hereafter enacted, such notice, demand, or request shall be sufficient if personally served on one or more of the persons who shall at the time hold record title to the property herein described or if enclosed in a postpaid envelope addressed to one or more of such persons or to the Mortgagor at the last address actually furnished to the Mortgagee or at the mortgaged premises and deposited in any post office, station or letter box.

IN WITNESS WHEREOF, The Mortgagor has hereunto set his hand and seal the day and year first hereinabove written.

TOM JASKOSKI DIST., INC.

BY Tom Jaskoski (SEAL)
PRESIDENT

BY Zilpha P. Jaskoski (SEAL)
SECRETARY-TREASURER

MORTGAGE to a Corporation

Tom Jaskoski Dist., Inc.

Salem, Oregon

TO

Western Security Bank

Salem, Oregon

STATE OF OREGON,

County of KLANATH

I certify that the within instrument was received for record on the 29th day of MARCH, 19 72, at 12:58 o'clock P.M., and recorded in book M. 72 on page 3273 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

WM. D. MILNE

County Clerk-Recorder

By Zilpha P. Jaskoski Deputy

FEE \$4.00

AFTER RECORDING RETURN TO

Western Security Bank

P. O. Box 2246

Salem, Oregon 97308

STATE OF OREGON)
County of Marion) ss.

On this day of 19.....
personally appeared the above named

and acknowledged the foregoing instrument to be his voluntary act and deed.

Notary Public for Oregon
My Commission Expires:

STATE OF OREGON)
County of Marion) ss.

On this 15th day of March, 19 72,
personally appeared Tom Jaskoski
and Zilpha P. Jaskoski who, being sworn, stated
they are the President and Sec. - Treas.
respectively, of Tom Jaskoski Dist., Inc.
and that the seal affixed hereto is its seal and that this instrument was voluntarily signed and sealed in behalf of the corporation by authority of its Board of Directors. Before me:

Notary Public for Oregon
My Commission Expires; Aug. 19, '73