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MORTGAGE

THIS INDENTURE made this 16th day of August, 19 72, by and between
MANLEY C. FARRAR & EDITH B. FARRAR, husband & wife,

hereinafter called the mortgagor (whether one or more) and CITIZENS BANK OF OREGON, Eugene, Oregon, a banking corporation organized and existing under the laws of the State of Oregon, hereinafter called the mortgagee.

WITNESSETH:

That the mortgagor, in consideration of the sum of Twenty Four Thousand and no/100 - - - - -
 (\$ 24,000.00) dollars received from the mortgagee, does hereby grant, bargain, sell and convey to the mortgagee,
 its successors and assigns forever, all of that certain property situated in the
 County of Klamath, State of Oregon, and described as follows, to-wit:

A portion of Section 1 Township 24 South, Range 6 East of the Willamette Meridian, commencing at the Northeast corner of said Section 1; thence South along the East line of Section 1 a distance of 326.3 feet to the point of beginning of the tract herein conveyed; thence continuing South along the East line of said Section 1 a distance of 145 feet; thence West and parallel to the North line of Section 1 to the East right of way of State Highway 58; thence Northwest along the East right of way line to a point which is due West of the point of beginning; thence East and parallel to the North line of said Section 1 to the point of beginning.

ALSO, all of Lot 13 in Section 6 Township 24 South, Range 7 East of the Willamette Meridian.

together with the privileges, tenements, hereditaments and appurtenances now or hereafter thereunto belonging, or in anywise appertaining, including, but not limited to, any and all party wall agreements, easements, rights of way, water rights and all other rights and privileges owned or enjoyed by the mortgagor with respect to said property or any part thereof, whether or not appurtenant thereto; also all such property, apparatus, equipment and fixtures now or hereafter situate on said premises, as are ever furnished by landlords in renting unfurnished buildings similar to the one situated on the real property hereinbefore 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 or other floor coverings attached to floors, and shelving, counters or other store, office and trade fixtures; and also the rents, issues and proceeds arising from or in connection with the said property or any portion thereof:

TO HAVE AND TO HOLD said property unto the mortgagee, its successors and assigns, forever.

This conveyance is a mortgage given to secure the payment of the sum of Twenty-Four Thousand and no/100
 (\$ 24,000.00) dollars, to be repaid according to the terms of one principal note dated August 16th 1972 executed
 by the mortgagor to the mortgagee and repayable as stated therein

the unpaid balance of principal and interest, if any then remains unpaid, to be due and payable Nov. 15, 1982 years from date, and payable to the order of the mortgagee, and bearing interest as in said note provided, and further providing for the payment of such sum as the court shall adjudge reasonable as attorneys' fees in case of suit or action thereon, and the mortgagee may, at its sole option, make further advances to the mortgagor not exceeding original loan and future advances at any one time the aggregate principal sum of Twenty Four Thousand and no/100 - - - - -

(\$ 24,000.00) dollars and interest, said aggregate principal sum to be a revolving credit during the life of this mortgage, and the payment of any portion, or the whole thereof, in no way affecting the right of the mortgagee, at its option, to make further advances hereunder within said aggregate principal sum, to be secured by the lien of this mortgage.

This indenture is further conditioned upon the observance by the mortgagor of each and every covenant and agreement contained in the said note as well as the covenants and agreements herein contained, including, but not exclusively, the following covenants hereby expressly made by the mortgagor, to-wit:

1. That the mortgagor will pay, when due, the indebtedness hereby secured, with interest, as provided in said note, and all taxes, assessments, liens, and other charges that may be levied or assessed upon said property, this mortgage, and the debt secured hereby before they become delinquent and promptly deliver receipts therefor to the mortgagee, and will comply with all rules and

By Lucia Antala

8. As an additional security and pledge for the payment of said indebtedness, and subject to the terms and provisions of this mortgage, the mortgagor hereby bargains, sells and assigns to said mortgagee all the rents, issues and profits of said property accruing after a default hereunder and if a default hereunder shall occur and continue for a period of thirty (30) days, and a complaint shall be filed to foreclose this mortgage, the court shall, on motion or application of the mortgagee, either at the time of filing such complaint or thereafter, and without regard to the condition of said property at such time, appoint a receiver to collect the rents, issues and profits of said property during the pendency of such foreclosure and apply such rents, issues and profits to the payment, pro tanto, of the amounts due under this mortgage, first deducting all proper charges and expenses of such receiver-ship, and after paying all taxes or assessments levied or assessed against said property and then unpaid, and said mortgagor agrees forthwith to surrender possession of said property to any receiver so appointed.

9. In the event the mortgaged property shall consist of real and personal property constituting an operating entity, such as an apartment house, industrial plant, hotel, or furnished dwelling, it is agreed that all of said mortgaged property, both real and personal, whether such personal property be actually affixed to said real property or not, together with any and all additions thereto, may, at the option of the mortgagee be sold upon foreclosure, either as a unit including both real and personal property subject to redemption as a unit, or separately; and in the event that such personal property shall be sold separately, such sale shall be in accordance with the procedure applicable to the sale of personal property upon the foreclosure of a Uniform Commercial Code security interest, with no right of redemption. If said mortgaged property shall be sold as a unit, and shall thereafter be redeemed, there shall be added to the amount to be paid for such redemption such amount as the purchaser at foreclosure sale, or such purchaser's successor in interest at the time of redemption, shall have expended during the redemption period to keep said property in satisfactory condition, including the cost of repairs and improvements made in the normal course of the administration of said property.

10. In the event this mortgage is foreclosed or any proceedings are brought for that purpose, the mortgagor shall pay such additional sum as the court may adjudge reasonable as attorneys' fees in such foreclosure or other proceeding, and any appeal therefrom, in addition to the costs and disbursements allowed by law, and such attorneys' fees and costs and disbursements shall be secured by the lien of this mortgage.

11. 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 any one 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 liability of the mortgagor for the payment of the indebtedness hereby secured.

12. As additional security for the payment of said indebtedness, the mortgagor shall assign to the mortgagee, upon request by the mortgagee, and in such manner as the mortgagee may require, any and all leases now or hereafter, during the period of the mortgage, entered into by the mortgagor with respect to the above described real property, or any portion thereof.

13. In the event that any portion or all of said mortgaged property shall be taken under the right of eminent domain, the mortgagee shall have the right, if it so elects, to require that all or any portion of the moneys payable as compensation for such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorneys' fees necessarily paid or incurred by the mortgagor in such proceedings, shall be paid to the mortgagee and applied by it first upon any reasonable costs and expenses and attorneys' fees necessarily paid or incurred by the mortgagee in such proceedings, and the balance applied upon the indebtedness secured hereby; and the mortgagor agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such compensation, promptly upon the mortgagee's request.

NOW, THEREFORE, if the mortgagor shall pay said sum of Twenty Four Thousand and no/100 - - Dollars

(\$ 24,000.00), with interest thereon, according to the tenor and effect of said note, and of any renewal or renewals thereof or of any part thereof, and shall repay any and all future advances made to the mortgagor by the mortgagee, as above provided, in accordance with the terms of the note or notes evidencing such future advances, and of any renewal or renewals thereof, or of any part thereof, and shall keep and perform all and singular the covenants and agreements herein contained, for said mortgagor to keep and perform, then these presents shall cease and be void, but otherwise shall remain in full force and effect.

In the event that this mortgage is executed by two or more mortgagors, the liability of each mortgagor shall be joint and several; and the covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective heirs, executors, administrators, successors and assigns of the parties thereto.

IN WITNESS WHEREOF, the mortgagor has properly executed this instrument the day and year herein first written.

_____(SEAL) Manley C Farrar (SEAL)
_____(SEAL) Edith B Farrar (SEAL)

INDIVIDUAL ACKNOWLEDGMENT

STATE OF OREGON, } ss.
County of Lane

THIS CERTIFIES that on this 16th day of August, 19 72

before me, the undersigned, a Notary Public in and for the said County and State, personally appeared the within named Manley C. Farrar and Edith B. Farrar

who are known to me to be the identical persons described in and who executed the within instrument and acknowledged to me that they executed the same freely and voluntarily for the purposes and uses therein mentioned.

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

My commission expires Nov. 30, 1975 Shirley L. Sibley
Notary Public in and for said County and State.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Klamath County Title

this 18 day of Aug A. D., 19 72 at 3:45 o'clock P M., and duly recorded in

Vol. M-72 of Mortgage on Page 9304

Fee 6.00

By WM. D. MILNE, County Clerk
Lucia Antola