

(General)

THUNDERBIRD - KLAMATH FALLS, INC., an Oregon Corporation & Edward H. Pietz & The Mortgagee(s) Gloria Pietz, husband & wife, Tod E. McClaskey & Maxine McClaskey, husband & wife, E. D. Vareldzis & Georgia Vareldzis, husband & wife, & Harry Bruss, an unmarried man

hereinafter called "Mortgagee", does hereby mortgage to PACIFIC FIRST FEDERAL SAVINGS and LOAN ASSOCIATION, a corporation, hereinafter called "Mortgagee", the real property hereinafter described and all interest or estate therein that the mortgagee may hereafter acquire, together with all buildings, improvements, fixtures, or appurtenances, including all building materials and equipment now or hereafter delivered to said premises and intended to be erected thereon or placed therein, and all apparatus, equipment, fixtures or articles, whether in single units or centrally controlled units, to supply heat, gas, air conditioning, water, light, power, refrigeration and ventilation, and screens, window shades, storm doors, storm windows, attached floor coverings, screen doors, awnings, built-in stoves, refrigerators, disposals, trash compactors and water heaters (all of which are intended to be and are hereby declared to be a part of said real estate), together with the rents, issues, and profits of said premises.

This Mortgage is given to secure the payment of all loans and advances, if any, as may be made to the mortgagee or others having an interest in the property described herein as evidenced by a note or notes.

TO PROTECT THE SECURITY of this mortgage the mortgagee agrees that:

(1) All buildings now or hereafter erected on the mortgaged property shall be continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this mortgage or, at the option of the mortgagee, in such greater or lesser amount as shall be reasonably necessary to preserve the security interest of the mortgagee. (2) All hazard insurance policies shall be in such companies as the mortgagee may approve with loss payable first to the mortgagee as its interest may appear and then to the mortgagee. Physical possession of the policy is at the option of the mortgagee. (3) The mortgagee, at its option, shall have the authority to act as the mortgagee's agent to settle and adjust any loss under hazard insurance, and, also at its option, may require that all insurance payments for such loss, over and above the reasonable expense, if any, of procuring the same, be applied to the extent necessary for the restoration of the improvements to their condition prior to the loss. (4) In the event of foreclosure all rights of the mortgagee in all policies in force shall pass to the mortgagee. (5) If this is a construction loan, the mortgagee will complete all construction financed hereby within N/A months from date of this instrument. (6) The buildings now on or hereafter erected on the premises shall be kept in good repair, not altered, extended, removed or demolished without written consent of the mortgagee. (7) The mortgagee will pay when due any obligations which may be or may become a lien against the mortgaged premises. (8) The mortgagee will pay, in the manner prescribed below, all insurance premiums, taxes, assessments, and other public charges levied, assessed or charged against the within described property. (9) The mortgagee will pay to the mortgagee on or before the dates installments of principal and interest are due, an amount estimated by the mortgagee to be equal to 1/12 of the yearly charge for all insurance premiums, taxes, assessments and other public charges levied, assessed, or charged against the within described property. These funds shall be accumulated by the mortgagee for the purpose of paying said charges and no interest shall be payable by the mortgagee to the mortgagee on any amount so accumulated. (10) The mortgagee is hereby authorized and directed to use monies collected under the provisions of item 9 for the payment of taxes, assessments, insurance premiums or other charges which may be paid, in such amounts as are shown by its own records, by billing statements issued by the proper authorities, or on the basis of any other information received by the mortgagee. The mortgagee has the right to pay annual real estate taxes in full as soon as the amount thereof is determined, notwithstanding the fact that the taxes may be paid in installments. (11) It is understood that the loan secured by this mortgage is personal to the mortgagee or to any successor in interest approved by the mortgagee and that the mortgagee's personal responsibility and control of the real property encumbered by this mortgage is a material inducement to the mortgagee to make the loan. If title to or control of the property shall pass from the mortgagee or the successor in interest by deed or otherwise, or the property shall be sold on contract, such change in title or control shall be deemed to increase the risk of the mortgagee and the mortgagee or other holder may declare the entire unpaid balance immediately due and payable or, at its sole option, may consent to the change in title or control and may increase the interest rate of the loan not to exceed two per cent per annum to compensate for such increased risk provided, however, that in no event shall the effective interest rate exceed the rate permitted by law. Such increase in interest rate shall entitle the mortgagee to increase monthly payments on the loan so as to retire the obligation within the original stipulated time or any longer term permitted by law or regulation. As a further condition to the mortgagee giving its consent to change in title to the property, it may require such information concerning the purchaser as it would ordinarily require of a new loan applicant and shall be paid a service charge as fixed and determined by the mortgagee, not in excess of one per cent of the amount of the original note or notes. At the option of the mortgagee, the service charge may be added to the principal balance of the indebtedness. (12) In case of default in the payment of any installment of the debt or a breach of any covenant herein or contained in the application for loan executed by the mortgagee, the entire debt hereby secured shall, at the option of the mortgagee, become immediately due without notice and this mortgage may be foreclosed. (13) Upon bringing an action to foreclose this mortgage, the mortgagee may at any time, without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the property or any part thereof and in its own name sue for or otherwise collect the rents, issues and profits, including those past due and unpaid, and apply the same less costs and expenses of operation and collection, including reasonable attorney's fees, to reduce the indebtedness secured hereby. (14) The entering upon and taking possession of the property, the collection of rents, issues and profits, or the proceeds of fire and other insurance policies to compensations or awards for any taking or damage of the property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. (15) The mortgagee will pay the cost of evidencing title and costs, disbursements and attorney's fees actually incurred in any suit which the mortgagee defends or prosecutes to protect the lien hereof or to foreclose this mortgage, which sums shall be secured hereby. (16) The mortgagee consents to a deficiency judgment for any part of the debt hereby secured which shall not be paid by the sale of said property. (17) Each of the covenants and agreements herein shall be binding upon all successors in interest of each of the mortgagees, and shall inure to the benefit of any successor in interest of the mortgagee.

Description of mortgaged property:

The following described real property situate in Klamath County, Oregon:

Beginning at a $\frac{1}{4}$ inch iron pin on the South line of the relocated right of way of the Klamath Falls-Lakeview Highway (South Sixth Street) which bears South $80^{\circ}45'$ West a distance of 290.3 feet and South $0^{\circ}06'30''$ West a distance of 11.82 feet from the Northeast corner of the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 3 Township 39 South, Range 9 E.W.M.; said iron pin also being the Northwest corner of parcel of land conveyed to the United States National Bank of Portland by deed recorded in Vol. 293, page 435, Deed records of Klamath County, Oregon; thence North $89^{\circ}58'30''$ West along said relocated right of way line, a distance of 100.0 feet to an iron pin and the true point of beginning of this description; thence South $0^{\circ}06'30''$ West parallel with the West line of said United States National Bank parcel a distance of 150.0 feet to an iron pin; thence South $89^{\circ}58'30''$ East parallel to the South line of said relocated highway right of way a distance of 100.0 feet to an iron pin on the West line of said United States National Bank parcel; thence South $0^{\circ}06'30''$ West along said West line a distance of 10.0 feet to a $\frac{5}{8}$ inch iron pin marking the Southwest corner of said parcel; thence South $89^{\circ}58'30''$ East a distance of 225.18 feet, more or less, to a $\frac{5}{8}$ inch iron pin on the Northeast corner of said parcel; thence North $0^{\circ}06'30''$ West along said right of way line a distance of 472.81 feet, more or less, to an iron pin on the Easterly right of way line of the U.S.R.R. Drain 1-C; thence North $29^{\circ}11'00''$ West along said right of way line a distance of 61.47 feet to an iron pin known North $01^{\circ}22'00''$ West along the West line of parcel of land conveyed to John L. Oberknecht by deed recorded September 20, 1950, in Deed Vol. 243, page 201, records of Klamath County, Oregon; a distance of 266.2 feet, more or less, to the South line of the said Klamath Falls-Lakeview Highway (South Sixth Street); thence South $89^{\circ}58'30''$ East along said relocated right of way line a distance of 107.8 feet, more or less, to the point of beginning.

AUG 27 3 13 PM 1974

Klamath Co. Title #A-24779

203-1-127964-8
LOAN NUMBER

MORTGAGE

Thunderbird - Klamath Falls, Inc.,
et al
to: Pacific First Federal Savings
and Loan Association

10474

Mail To
Pacific First Federal Savings
and Loan Association
801 S. W. 6th AVE., PORTLAND, ORE. 97204

INDIVIDUAL ACKNOWLEDGEMENT

State of _____ } SS. _____, 19____
County of _____

to me known to be the individual(s) described in and who executed the foregoing instrument, on this day personally appeared before me and acknowledged that said instrument was executed as a free and voluntary act and deed for the use and purposes therein expressed. IN TESTIMONY THEREOF, I have hereunto set my hand and official seal the day of this instrument above written.

Notary Public for the State of _____
Residing at _____

My commission expires _____

CORPORATE ACKNOWLEDGEMENT

State of OREGON } SS. _____, August 23, 1974
County of MULTNOMAH

-- Edward H. Pietz and James A. McClaskey --

to me known to be the President and Secretary of the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the use and purposes therein expressed, and an oath stated that they are authorized to execute said instrument. IN TESTIMONY THEREOF, I have hereunto set my hand and official seal the day of this instrument above written.

A. Canham
Notary Public for the State of Oregon
Residing at Portland

My commission expires March 17, 1976

10475

Edward H. Pietz
Edward H. Pietz

Gloria Pietz
Gloria Pietz

Tod E. McClaskey
Tod E. McClaskey

Maxine McClaskey
Maxine McClaskey

E. D. Vareldzis
E. D. Vareldzis

Georgia Vareldzis
Georgia Vareldzis

Harry Bruss
Harry Bruss

STATE OF OREGON,

County of Multnomah

ss.

BE IT REMEMBERED, That on this 23rd day of August, 1974, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Edward H. Pietz, Gloria Pietz, Tod E. McClaskey, Maxine McClaskey, E. D. Vareldzis, Georgia Vareldzis, and Harry Bruss

known to me to be the identical individual s described in and who executed the within instrument and acknowledged to me that they executed the same freely and voluntarily.

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

A. Carham

Notary Public for Oregon.

My Commission expires 3/17/76

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Klamath County Title Co.

this 27th day of August, A. D. 1974, at 3:13 o'clock PM, and

duly recorded in Vol. M 74, of Mortgages on Page 10472

Wm D. MILNE, County Clerk

By Gladys H. Hargis
fee 8.00

FORM NO. 23 — ACKNOWLEDGMENT
STEVENS NESS LAW PUB. CO., PORTLAND, ORE.