

and will warrant and forever defend the same against all persons, that he will pay said note(s), principal and interest, according to the terms thereof, that while any part of said note(s) remains unpaid he will pay all taxes, assessments and other charges of every nature which may be levied or assessed against said property, or the mortgage or the note(s) above described, when due and payable and before the same may become delinquent; that he will promptly pay and satisfy any and all liens or encumbrances that are or may become hereon on the premises, or any part thereof, superior to the lien of this mortgage, that he will keep the buildings now on or which may hereafter be erected on the premises insured in favor of the mortgagees against loss or damage by fire, with extended coverage in the sum of \$ full insurable value

in a company or companies acceptable to the mortgagees and will have all policies of insurance on said property made payable to the mortgagees as their interest may appear and will deliver all policies of insurance on said premises to the mortgagees as soon as insured, that he will keep the buildings and improvements on said premises in good repair and will not commit or suffer any waste of said premises.

Now, therefore, if said mortgagor shall keep and perform the covenants herein contained and shall pay said note(s) according to its terms, this conveyance shall be void, but otherwise shall remain in full force as a mortgage to secure the performance of all of said covenants and the payment of said note(s), it being agreed that if the mortgagor shall fail to make any payment or to perform any covenant herein, or if a proceeding of any kind be taken to foreclose any lien on said premises, or any part thereof, the mortgagees shall have the option to declare the whole amount unpaid on said note(s) or on this mortgage at once due and payable, and this mortgage may be foreclosed at any time thereafter. And if the mortgagor shall fail to pay any taxes or charges or any lien, encumbrance or insurance premium as above provided for, the mortgagees may at their option do so, and any payment so made shall be added to and become a part of the debt secured by this mortgage and shall bear interest at the same rate as said note(s), without waiver, however, of any right arising to the mortgagees for breach of covenant; and this mortgage may be foreclosed at any time while the mortgagor neglects to repay any sums so paid by the mortgagees.

In the event of any suit or action being instituted to foreclose this mortgage, the mortgagor agrees to pay all reasonable costs incurred by the mortgagees for title reports and title search, all statutory costs and disbursements and such further sum as the trial court may adjudge reasonable as pay such sum as the appellate court shall adjudge reasonable as plaintiff's attorney's fees on such appeal, all such sums to be secured by the lien of this mortgage and included in the decree of foreclosure.

In case suit or action is commenced to foreclose this mortgage, the court upon motion of the mortgagees, may appoint a receiver to collect the rents and profits arising out of said premises during the pendency of such foreclosure and apply the same to the payment of the amount due under the mortgage, first deducting all proper charges and expense attending the execution of said trust.

Each and all of the covenants and agreements herein contained shall apply to, inure to the benefit of and bind the heirs, executors, administrators, successor in interest and assign of said mortgage and of said mortgagees respectively.

It is understood and agreed by the parties hereto that the Mortgagor has obtained a mortgage from First Federal Savings and Loan Association, Klamath Falls, Oregon, which is prior in right to this mortgage. Any default by the Mortgagor upon the mortgage at First Federal Savings and Loan Association shall constitute a default upon this mortgage and allow Mortgagee all of their legal remedies allowable upon default.

IN WITNESS WHEREOF, said mortgagor has hereunto set his hand the day and year first above written.

Paul Thomas Watters

*IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable, the mortgagee MUST comply with the Truth-in-Lending Act and Regulation Z by making required disclosures; for this purpose, if this instrument is to be a FIRST lien to finance the purchase of a dwelling, use S-N Form No. 1305 or equivalent; if this instrument is NOT to be a first lien, use S-N Form No. 1306, or equivalent.

MORTGAGE

(Survivorship)
(FORM No. 691)

TO

STATE OF OREGON }
County of Klamath

I certify that the within instrument was received for record on the 3 day of June, 1975, at 3:00 o'clock P.M., and recorded in book M 75 on page 6181 or as file number 1337. Record of Mortgages of said County. Witness my hand and seal of County affixed.
Wm D Milne

County Clerk Title.

By Hazel D. Milne Deputy.
After Recording Return to

First Federal Savings
540 main
Klamath Falls, OR
97601

STATE OF OREGON,

County of Klamath } ss.

BE IT REMEMBERED, That on this 27 day of May, 1975, before me, the undersigned, a Notary Public in and for said county and state, personally appeared the within named PAUL THOMAS WATTERS

known to me to be the identical individual described in and who executed the within instrument and acknowledged to me that he executed the same for the purposes therein contained.

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



Robert L. Tucker
Notary Public for
My commission expires 10-13-78