

SN

3016

THIS MORTGAGE, Made this 17th day of July, 1975,
by Jerry R. Hailey and Phyllis J. Hailey, hereinafter called the mortgagor,
to I M Distributing, a corporation, hereinafter called the mortgagee,

WITNESSETH, That the mortgagor, in consideration of Six thousand three hundred
seventy one and no/00 (\$6,371.00) Dollars, to him paid by the mortgagee, hereby does
grant, bargain, sell and convey unto said mortgagee, its successors and assigns, that certain real property situ-
ated in Klamath County, State of Oregon, bounded and described as follows, to-wit:

Lot 10 Block 9 of Sunset Village 6th Addition, Klamath
County, Oregon.

JUL 23 1975

RECEIVED

3:30 pm

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or
in anywise appertaining, and which hereafter may belong or appertain thereto, and the rents, issues and profits
therefrom, and any and all fixtures upon said premises at the time of the execution of this mortgage or placed
thereon at any time during the term of this mortgage;

TO HAVE AND TO HOLD the same with the appurtenances unto the said mortgagee, its successors
and assigns forever.

This mortgage is intended to secure the payment of one or more promissory notes, in words and figures
substantially as follows:

\$ 6,371.00 Klamath Falls Oregon July 17, 1975
ON DEMAND, I (or if more than one maker) we, jointly and severally, promise to pay to the order of
I M Distributing Corporation at Klamath Falls, Oregon DOLLARS,
Six Thousand Three Hundred Seventy One and no/00
with interest thereon at the rate of percent per annum from until paid; interest to be paid
All or any portion of the principal hereof may be paid at any time. If this note is placed in the hands of
an attorney for collection, I/we promise and agree to pay the holder's reasonable attorney's fees and collection costs, even though no suit
or action is filed hereon; however, if a suit or an action is filed, the amount of such reasonable attorney's fees shall be fixed by the court,
or courts in which the suit or action, including any appeal therein, is tried, heard or decided.

/s/

Jerry R. Hailey

/s/

Phyllis J. Hailey

Stevens-Ness Law Publishing Co., Portland, Ore.

FORM No. 346—DEMAND NOTE.

The mortgagor warrants that the proceeds of the loan represented by the above described note and this
mortgage are:

(a) XXXXXX

(b) for an organization or (even if mortgagor is a natural person) are for business or commercial pur-
poses other than agricultural purposes.

And said mortgagor covenants to and with the mortgagee, its successors and assigns, that he is lawfully seized in fee simple
of said premises and was a valid, unencumbered title thereto.

that he will warrant and forever defend the same against all persons; that he will pay said note, principal and interest, according to the terms thereof; that while any part of said note remains unpaid he will pay all taxes, assessments and other charges of every nature which may be levied or assessed against said property, on this mortgage or the note 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 liens 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 be hereafter erected on the premises, insured in favor of the mortgagee against loss or damage by fire, with extended coverage, in the sum of not less than insurable value a company or companies acceptable to the mortgagee, and will deliver and will have all policies of insurance on said property made payable to the mortgagee as its interest may appear and will deliver all policies of insurance on said premises to the mortgagee as soon as written; 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 or of said buildings and improvements. At the request of the mortgagee, the mortgagor shall join with the mortgagee in executing one or more financing statements pursuant to the Uniform Commercial Code, in form satisfactory to the mortgagee, and will pay for filing the same in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the mortgagee.

Now, therefore, if said mortgagor shall keep and perform the covenants herein contained and shall pay said note 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, it being agreed that a failure to perform any covenant herein, or if proceedings of any kind be taken to foreclose any lien on said premises or any part thereof, the mortgagee shall have the option to declare the whole amount unpaid on said note and 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 tax, charge, lien, encumbrance or insurance premium as above provided, the mortgagee at its option may 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, without waiver, however, of any right arising to the mortgagee for breach of covenant, and this mortgage may be foreclosed for principal, interest and all sums paid by the mortgagee at any time while the mortgagor neglects to repay any sums so paid by the mortgagee. In the event of any suit or action being instituted to foreclose this mortgage, the mortgagor agrees to pay all costs and disbursements allowed by law and such sum as the court may adjudge reasonable as plaintiff's attorney's fees in such suit or action, and if an appeal is taken from any judgment or decree entered therein, mortgagor further promises to pay such sums as the appellate court shall adjudge reasonable as plaintiff's attorney's fees on such appeal, together with the reasonable costs incurred by the mortgagee for title reports and search, all such sums to be secured by the lien of this mortgage and included in the decree of foreclosure.

Each and all of the covenants and agreements herein contained shall inure to the benefit of and bind the heirs, executors, administrators and assigns of said mortgagor and the successors and assigns of the mortgagee respectively.

In case suit or action is commenced to foreclose this mortgage, the court, upon motion of the mortgagee, 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, after first deducting all of said receiver's proper charges and expenses, to the payment of the amount due under this mortgage.

In construing this mortgage it is understood that the mortgagor may be more than one person, that the mortgagee may be more than one corporation and that more than one note may be secured hereby; therefore, the parties hereto agree that if the context and the circumstances so require, the singular shall be taken to mean and include the plural and that the masculine pronoun shall mean and include the feminine as well as husband and wife.

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

Jerry R. Hailey
 Jerry R. Hailey
Phyllis J. Hailey
 Phyllis J. Hailey

*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

to a Corporation
 (FORM No. 74)
 STEVEN S. NESS LAW PUB. CO., PORTLAND, ORE.

TO

STATE OF OREGON,

County of Klamath

I certify that the within instrument was received for record on the 23 day of JULY, 1975, at 3:30 o'clock P.M., and recorded in book N 75 on page 8365. Record of Mortgages of said County.

Witness my hand and seal of County affixed.

W. D. MILNE

COUNTY CLERK

Title

By *Jerry R. Hailey* Deputy

AFTER RECORDING RETURN TO

Jerry Holatore

325 Main

Klamath Falls,

Oregon 97601

FEES \$ 6.00

STATE OF OREGON,

County of Klamath

On this 17th day of July, 1975, before me, a notary public in and for said county and state, personally appeared the within named Jerry R. Hailey and Phyllis J. Hailey

known to me to be the identical individual 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.

Jerry M. Holatore
 Notary Public for Oregon

My Commission expires 10-12-76