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16984

vol. III Page 11667

THIS MORTGAGE, Made this 29th day of JULY, 1970,
by GREGG ALAN POWLESS and GWENDOLYN LEE POWLESS, Mortgagor,
to PADDOCK REAL ESTATE COMPANY, an Oregon corporation Mortgagee.

WITNESSETH, That said mortgagor, in consideration of Eight Thousand Three Hundred
Twenty-Two and 20/100----- Dollars, to him paid by said mortgagee, does hereby
grant, bargain, sell and convey unto said mortgagee, his heirs, executors, administrators and assigns, that certain real
property situated in Klamath----- County, State of Oregon, bounded and described as follows, to-wit:

Lot 11 in Block 1 of FIRST ADDITION TO VALLEY VIEW
according to the official plat thereof on file in
the office of the Clerk of Klamath County, Oregon

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and which may hereafter thereto belong or appertain, 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 at any time during the term of this mortgage.

TO HAVE AND TO HOLD the said premises with the appurtenances unto the said mortgagee, his heirs, executors, administrators and assigns forever.

This deed is intended to secure the payment of a promissory note, of which the following is a substantial copy:

\$ 8,322.20 Klamath Falls, Oregon, July 28, 1976

ON DEMAND, I (or if more than one maker) we, jointly and severally, promise to pay to the order of THE COMMUNITY OF OREGON CORPORATION

PADDOCK REAL ESTATE COMPANY, an Oregon corporation,
Klamath Falls, Oregon

Eight Thousand Three Hundred Twenty-Two and 22/100----- DOLLARS,

with interest thereon at the rate of 6 percent per annum from _____ until paid; interest to be paid _____
_____ if principal hereof may be paid at any time. If this note is placed in the hands of _____

with interest thereon at the rate of 0 percent per annum from 10/1/80 until paid in full. 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. The undersigned acknowledge receipt of a copy of this note before signing same.

1. Amount of note—Amt. financed \$_____

2. FINANCE CHARGE (interest from date to maturity) \$ _____

3. Total of payments (1 + 2) . . . \$ _____

No. of payments: 1; **ANNUAL PERCENTAGE RATE** 6 %.

If prepaid, precomputed interest, then unearned, will be abated.

No. 846—UCC—Truth-in-Lending Series—Unsecured Demand Note—No FINANCE CHARGE Except Interest. (For transactions with natural persons for consumer or agricultural purposes.)
Stevens-Ness Law Publishing Co., Portland, Oregon 97204. SN _____

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

The mortgagor warrants that the proceeds of the loan represented by the above described Note (and any other Note or Notes secured by this mortgage) shall be used solely for the mortgagor's personal, family, household or agricultural purposes (see Important Notice below), and not for any business or commercial purposes other than those stated in the above described Note.

(b) primarily for mortgagor's personal, family, household or agricultural purposes (see Important Notice below);

(b) for an organization, (even if mortgage trust deed
purposes.
This mortgage is interior, secondary and made subject to a prior mortgage on the above described real estate made by
and wife

Ellis E. Stiles and Judy C. Stiles, husband and wife

Ellis E. Stiles and Judy C. Stiles, husband and wife dated March 24, 1972
to William Ganong, Jr., Trustee M-72, at page 3140 thereof.

to William Ganong, Jr., Trustee M-72, at page 3140 thereof, and recorded in the mortgage records of the above named county in book _____, No. _____, and referenced to said mortgage records

and recorded in the mortgage records of the above named county; reference to said mortgage records
for the principal sum of \$ 20,700.00; the unpaid

hereby being made; the said first mortgage was given to secure a note for the principal sum of \$ 20,700.00; the unpaid

principal balance thereof on the date of the execution of this instrument is \$..... and no more; interest thereon is paid

principal balance thereof on the date of the execution of this instrument is \$.....
to 19.....; said prior mortgage and the obligations secured thereby hereinafter, for brevity, are called

The mortgagor covenants to and with the mortgagee, his heirs, executors, administrators and assigns, that he is lawfully seized of the premises; that the same are free from all encumbrances except said first mortgage and further except.....

The mortgagor covenants to and with the mortgagee, his heirs,
in fee simple of said premises; that the same are free from all encumbrances except said first mortgage and further except
reservations, restrictions, rights of way and easements of record and

reservations, restrictions, rights of way and easements of record and
 also apparent on the land

those apparent on the land, that he will do and perform all things required of

and that he will warrant and forever defend the same against all persons; further, that he will do and perform all things requisite and necessary to give effect to the foregoing covenants, conditions and obligations, and to secure the payment of said first mortgage as well as the note secured hereby remains unpaid he will pay all taxes, assessments and charges levied or assessed upon or against the lands, premises and improvements thereon, and shall keep the same duly paid.

[illegible]

~~and interest, according to the terms thereof; that while any part or parts of the mortgage money shall remain unpaid by said mortgagor, he will keep~~

and such other hazards as the mortgagee may from time to time require, in an amount not less than \$ _____ in a company or companies acceptable to the mortgagee herein, with loss payable, first to the holder of the said first mortgage; second, to the mortgagee named herein and then to the mortgagee as their respective interests may appear; all policies of insurance shall be delivered to the holder of the said first mortgage as soon as insured and a certificate of insurance executed by the company in which said insurance is written, showing the amount of said coverage, shall be delivered to the mortgagee named in this instrument. Now if the mortgagee shall fail for any reason to procure any such insurance and to deliver said policies as aforesaid at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, the mortgagee may procure the same at mortgagee's expense; that the mortgagee will keep the buildings and improvements on said premises in good repair and will not commit or suffer any waste of said premises. In the event any personal property is part of the security for this mortgage, then at the request of the mortgagee, the mortgagee 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 mortgagee shall keep and perform the covenants herein contained and shall pay all obligations secured by said first mortgage as well as the note secured hereby 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 payments of the note secured hereby; it being agreed that a failure 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 mortgagee shall have the option to declare the whole amount unpaid on said note or on this mortgage at once due and payable, and this mortgage may be foreclosed at any time thereafter. And if the mortgagee shall fail to pay any taxes or charges or any lien, encumbrance or insurance premium as above provided for, or fail to do or perform anything required of him by said first mortgage, the mortgagee herein, at his option, shall have the right to make such payments and to do and perform the acts required of the mortgagee under said first mortgage; and any payment so made, together with the cost of such performance shall be added to and become a part of the debt secured by this mortgage, and shall bear interest at the same rate as the note secured hereby 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 mortgagee 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 mortgagee agrees to pay all reasonable costs incurred by the mortgagee for title reports and title search, all statutory costs and disbursements and such further sum as the trial 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, mortgagee further promises to 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.

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

In case suit or action is commenced to foreclose this mortgage, the Court may, upon motion of the mortgagee, 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 mortgagee or mortgagee may be more than one person; that if the context so requires, the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine and the neuter, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

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

Gwendolyn Lee Powless
x *Gregg Alan Powless*

*IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable. If warranty (a) is applicable and if the mortgagee is a creditor, as such word is defined in the Truth-in-Lending Act and Regulation Z, the mortgagee MUST comply with the Act and Regulation by making required disclosures; for this purpose, use Stevens-Ness Form No. 1306 or similar.

SECOND MORTGAGE

(FORM No. 925)

TO

STATE OF OREGON,

County of Klamath

I certify that the within instrument was received for record on the 30th day of JULY, 19 76, at 10:22 o'clock A.M., and recorded in book XL 76 on page 11667 or as file/reel number 16984. Record of Mortgages of said County. Witness my hand and seal of County affixed.

Wm. D. MILNE

COUNTY CLERK Title.

By *Hayden W. Craig* Deputy
FEE \$26.00

STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

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STATE OF OREGON,

County of Klamath

BE IT REMEMBERED, That on this 29th day of JULY, 19 76, before me, the undersigned, a notary public in and for said county and state, personally appeared the within named GREGG ALAN POWLESS and GWENDOLYN LEE POWLESS

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.

Hayden W. Craig
Notary Public for Oregon.
My Commission expires March 4, 1980

