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SECOND  
MORTGAGE  
MORTGAGE

13446

THIS INDENTURE, made this 7<sup>th</sup> day of July, 19 77 between  
Lyndell Edwards and Nancy Edwards, husband and wife  
herein called "Mortgagor", and WESTERN BANK, an Oregon banking corporation, herein called "Mortgagee",

## WITNESSETH:

For value received by the Mortgagor from the Mortgagee, the Mortgagor does hereby grant, bargain, mortgage and convey unto the Mortgagee all the following described property situated in Klamath County, Oregon, to-wit:

Beginning at a point on the South line of a parcel of land deeded as "Parcel Three" in a deed from the Enterprise Land and Investment Company to Klamath County, Oregon, for road purposes, and described in Klamath County Deed Records, Volume 229, page 300, which point is North 89° 54 min. E., 1366.6 feet; and thence South 0° 06 min. E., 73.0 feet from the Northwest corner of Section 3, Township 39 South, Range 9 East Willamette Meridian, and which point of beginning is on the present Southerly line of said "Parcel Three", or along the present Southerly right of way line of Shasta Way, a distance of 50.0 feet; thence South 0° 06 min. E., 150.0 feet; thence South 89° 54 min. W., 110.5 feet, more or less, to a point on the Southeasterly line of a parcel of land deeded as "Parcel One", in the above mentioned deed in Volume 229, page 300, of Klamath County Deed Records; thence North 30° 02 min. E., along the Southeasterly line of said "Parcel One", to the left along the arc of a circle, the radius of which is 175.9 feet and the long chord of which bears North 15° 16 min. E., 96.68 feet, more or less, to the point of beginning, being a portion of Tract 32, Enterprise Tracts, in Klamath County, Oregon, and lying in the Northeast quarter of Northwest quarter of Section 3, Township 39 South, Range 9 East Willamette Meridian, Klamath County, Oregon.

together with the tenements, hereditaments and appurtenances now or hereafter thereunto belonging or in anywise appertaining, including but not limited to roads and easements used in connection with the premises; also, all fixtures, buildings and parts of buildings situated upon said property, including but not limited to electric wiring and fixtures; furnace and heating system, water heaters, fuel storage receptacles; plumbing, ventilating, water and irrigating systems; screens, doors, window shades and blinds, shutters, cabinets, built-ins, linoleums and floor coverings, built-in stoves, ovens, garbage disposals, air conditions, refrigerators, freezers, dishwashers, and all other fixtures now or hereafter installed in or on the premises; and any shrubbery, flora or timber now growing or hereafter planted or growing thereon; and any and all replacements of any one or more of the foregoing items, in whole or in part, all of which are hereby declared to be appurtenant to the land; and all the rents, issues and profits arising from the mortgaged property.

TO HAVE AND TO HOLD the same unto the Mortgagee, its successors and assigns forever.

The Mortgagor does hereby covenant to and with the Mortgagee that the Mortgagor is lawfully seized in fee simple of the said real property, that it is the absolute owner of all items of property described hereinabove, that the said property is free from encumbrances of every kind and nature, and that it will warrant and forever defend the same against the lawful claims and demands of all persons whomsoever.

This conveyance is intended as a mortgage to secure performance of the covenants and agreements herein contained, to be by the Mortgagor kept and performed and to secure the payment of the sum of \$ 21,600.00 and interest thereon in accordance with the tenor of a certain promissory note executed by Lyndell Edwards and Nancy Edwards,  
husband and wife

dated 7-7, 19 77, payable to the order of the Mortgagee in installments of not less than \$ 542.67 each including interest, on the 7<sup>th</sup> day of each month commencing 8-1, 19 77, until 7-1, 19 81 when the balance then remaining unpaid shall be paid.

This Mortgage is also given as security for the payment of any and all other indebtednesses, obligations or liabilities of the Mortgagor to the Mortgagee now existing or hereafter arising, matured or to mature, absolute or contingent and wherever payable, including but not limited to such as may arise from endorsements, guarantees, acceptances, bills of exchange, promissory notes, or other paper discounted by the Mortgagee or held by the Mortgagee, or taken as security for any loans or advances of any kind, sort, or description whatsoever.

1. That Mortgagor will pay, when due, the indebtedness hereby secured, with interest as prescribed by said note, and will pay, when due, all other sums secured hereby, and all taxes, liens and utility charges upon said premises, or for services furnished thereto. In addition thereto, he will pay, at the time of payment of each installment of principal and interest, such amount as Mortgagee shall estimate to be sufficient to produce, at least one month prior to the time when payment thereof shall become due, the amount of (a) taxes, assessments and other governmental rates and charges against said premises (herein all called "taxes") and (b) premiums upon insurance against loss or damage to said premises (said amounts being referred to hereinafter as "loan trust funds"). If the sums so paid shall be less than sufficient for said purposes, Mortgagee will also pay, upon demand, such additional sum as Mortgagee shall deem necessary therefor. If Mortgagee desires a "package" plan of insurance which includes coverage in addition to that required under this mortgage, Mortgagee may, at its option, establish and administer a reserve for that purpose. If the package plan reserve is not sufficient to pay the renewal premium on a package plan policy, then Mortgagee may use such reserve to pay premiums on a policy covering only risks required to be insured against under this mortgage and allow the package plan policy to lapse. Mortgagee shall, upon the written direction of Mortgagee, and may, without such direction, apply sums paid by Mortgagee and held by Mortgagee to the purposes aforesaid; but the receipt of such sums shall not, in the absence of such direction, impose any duty upon Mortgagee to disburse the same or relieve Mortgagee from his covenants to pay said obligations or to keep the premises insured. Mortgagee may, from time to time, establish reasonable service charges for the collection and disbursement of premiums on package-type insurance policies. Mortgagee shall not, whether or not service charges are imposed, be subject to any liability for failure to transmit any premiums to any insurer or by reason of any loss growing out of any defect in any insurance policy. At Mortgagee's option, Mortgagee may apply all loan trust funds directly to the payment of the principal balance then unpaid on the indebtedness secured hereby; if Mortgagee elects so to do, Mortgagee is authorized to pay taxes, insurance premiums on the mortgaged property and all other charges which would otherwise be payable from the loan trust funds, when the same become due and payable, and Mortgagee may then add the amount of any such payment to the principal balance then unpaid on the indebtedness secured hereby, each such payment to bear interest as provided in the promissory note mentioned herein.

2. That Mortgagor will not commit or permit strip or waste of the said premises, or any part thereof; that Mortgagee will keep the real and personal property hereinabove described in good order and repair and in tenable condition; that Mortgagor will promptly comply with any and all municipal and governmental rules and regulations with reference thereto; that Mortgagee will not cut or permit the cutting or removal of any timber without the written consent of Mortgagee, that if any of the said property be damaged or destroyed by any cause, Mortgagee will immediately reconstruct or repair the same so that, when completed, it shall be worth not less than the value thereof at the time of such loss or damage; provided, that if such loss or damage shall be caused by a hazard covered by insurance payable to Mortgagee, the obligation of the Mortgagor to repair or reconstruct shall not arise unless the Mortgagee shall consent to the application of the insurance proceeds to the expense of such reconstruction.

3. That he will, at his own cost and expense, keep the building or buildings now or hereafter upon said premises, together with all personal property covered by the lien hereof

8. That, in the event of the institution of any suit or action to foreclose this mortgage, the Mortgagor will pay such sum as the trial court and any appellate court may adjudge reasonable as attorney's fees in connection therewith and such further sums as the Mortgagee shall have paid or incurred for costs and disbursements in such suit or action, extensions of abstracts or title searches or examination fees in connection therewith, whether or not final judgment or decree therein be entered and all such sums are secured hereby and shall bear interest from the date paid or incurred by Mortgagee or from the date of judgment, whichever occurs first, at the rate set forth in the promissory note mentioned above; that in any such suit, the court may, upon application of the plaintiff and without regard to the condition of the property or the adequacy of the security for this indebtedness hereby secured and without notice to the Mortgagor, or any one else, appoint a receiver to take possession and care of said mortgaged property and collect and receive any or all of rents, issues and profits which had theretofore arisen or accrued or which may arise or accrue during the pendency of the suit, that any amount so received shall be applied toward payment of the debt secured hereby, after first paying the charges and expenses of such receivership, but in case of default by the Mortgagor in one or more of his covenants or agreements herein contained, he may remain in possession of the mortgaged property and retain all rents actually received by him prior to such default.

and received by him prior to such default.

[illegible]

4. That he will execute of his title to the said property

5. That in case the Mortgagor do or perform any of the above mentioned conditions, or do not do or perform any of the above mentioned conditions, the Mortgagee shall be bound to fulfill any obligation on its part and in default, procure any insurance charges, make any repair, or incur any expenses or incur any interest at 8% per annum, on the note mentioned above,

6. That he will not, with Mortgagee, transfer his interest therein, whether or not the indebtedness hereby secured by Mortgagee's consent to such transfer from the transferee such interest required if the transferee were shall not unreasonably withhold consent to any transfer Mortgagee a service charge not exceeding of the indebtedness hereby secured on the indebtedness hereby secured per annum.

7. That, if any default in the payment of principal or interest of the loan shall occur, the performance of any of the conditions of the mortgage, the Mortgagees may, at their option, declare the entire sum secured by the mortgage due and foreclose this mortgage.

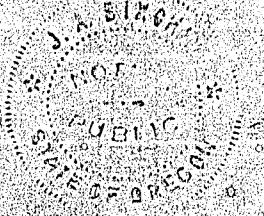
ment shall, where there is more than one Mortgages, be binding jointly and severally and the word "Mortgagee" shall include all Mortgagees. Masculine pronouns of the covenants of the Mortgage shall apply to the Mortgagee, executors, administrators, successors and assigns for the benefit of the successors and assigns in the event of any transfer of the Mortgage. No part thereof or any interest therein shall be voluntary or by operation of law without notice to the Mortgagee or an assignee at the time of payment or grant of the Mortgage secured for any term, execute the lien of this mortgage or the terms hereof without thereby releasing the liability of the Mortgagee for the Mortgage hereby secured. No condition shall be waived unless the same be expressed in writing by the Mortgagee. Whenever any notice shall be required by the terms hereof or by any law, statute or ordinance enacted, such notice shall be given in writing and personally served on one or more of the persons named in the time hold record title to the property described in the enclosed in a postpaid envelope addressed to such persons or to the Mortgagee. This instrument is furnished to the Mortgages

8. That, in the event of the institution of any suit or action to foreclose this mortgage, the Mortgagor will pay such sum as the trial court and any appellate court may adjudge reasonable as attorney's fees in connection therewith and such further sums as the Mortgagee shall have paid or incurred for costs and disbursements in such suit or action, extensions of abstracts or title searches or examination fees in connection therewith, whether or not final judgment or decree therein be entered and all such sums are secured hereby and shall bear interest from the date paid or incurred by Mortgagee or from the date of judgment, whichever occurs first, at the rate set forth in the promissory note mentioned above; that in any such suit, the court may, upon application of the plaintiff and without regard to the condition of the property or the adequacy of the security for this indebtedness hereby secured and without notice to the Mortgagor or any one else, appoint a receiver to take possession and care of all said mortgaged property and collect and receive any or all of the rents, issues and profits which had theretofore arisen or accrued or which may arise or accrue during the pendency of such suit; that any amount so received shall be applied toward the payment of the debt secured hereby, after first paying therefrom the charges and expenses of such receivership; but until a breach or default by the Mortgagor in one or more of his covenants or agreements herein contained, he may remain in possession of the mortgaged property and retain all rents actually paid to and received by him prior to such default.

9. The word "Mortgagor", and the language of this instru-

ment shall, where there is more than one mortgagor, be construed as plural and be binding jointly and severally upon all mortgagors and the word "Mortgagee" shall apply to any holder of this mortgage. Masculine pronouns include feminine and neuter. All of the covenants of the Mortgagor shall be binding upon his heirs, executors, administrators, successors and assigns and inure to the benefit of the successors and assigns of the Mortgagee. 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, once or often, extend the time of payment or grant renewals of indebtedness hereby secured for any term, 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 primary liability of the Mortgagor for the payment of the indebtedness hereby secured. No condition of this mortgage shall be deemed waived unless the same be expressly waived in writing by the Mortgagee. Whenever any notice, demand, or request is required by the terms hereof or by any law now in existence or hereafter enacted, such notice, demand or request shall be sufficient if personally served on one or more of the persons who shall at the time hold record title to the property herein described or if enclosed in a postpaid envelope addressed to one or more of such persons or to the Mortgagor at the last address actually furnished to the Mortgagee or at the mortgaged premises and deposited in any post office, station or letter box.

IN WITNESS WHEREOF, the Mortgagor 8 have hereunto set their hand 8 and seal 8 the day and year first hereinabove written.



STATE OF OREGON

County of Klamath

July 7, A.D. 19 77

Personally appeared the above-named Lyndell Edwards and Nancy Edwards

and acknowledged the foregoing instrument to be their voluntary act and deed. Before me:

(Notary Seal)

Notary Public for Oregon

STATE OF OREGON; COUNTY OF KLAMATH; ss.

My Commission Expires: 9-19-79

Filed for record NOTARIAL PUBLIC

3:10 P

on 27 day of July A.D. 1977 at 10:10 clock M. am

fully recorded in Vol. M 77, of Mortgages at 13446 on Page 13446

Fee \$9.00

W. D. MILNE, County Clerk

By Pat McCullough