Mortgage is also given as security for the payment of any and all other indobtednesses, obligations or liabilities of the Mortgagor to the Mortgagee now existing or hereafter arising, matured of 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 Mortgegee or held by the Mortgegee, or taken as security for any loans or advances of any kind, sort or description whatsoever.

<u>Le le construit de le le construit de le construit de le le construit de le construit de</u>

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 \$ 37,950.00 and interest thereon in accordance with the tenor of a certain promissory note executed by "Dennis"A. Nelson and Louise Nelson. Husband

plotation TO HAVE AND TO HOLD the same unto the Mortgagee, ita successors and assigns forever. 1972 boot to the The Morts gor does hereby covenant to and with the Mortgages that the Mortgagor is inwfully seized in fee simple of the and 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, neus rejuiting to persuastics as density and the source of a sub-statistic statistics and the statistic

to the set of the birds of the set of the se 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, lincleums 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 mortaled brobits the third required quder the muldare, any policy or policies to will delive to an Justice same

interest as provided in the promisiony hore menutioned herein indebtednesses secured hereby, each such payment to bear such payment to the principal palance then unpaid on the und payable, and Mottangee may thun add the amount of any be payable from the loan trust funds, when the same become due mentaged property and all other charges which would otherwise MULTER & authorized to pay taxes, insurance premiums on the the indebteunesses secured hereby, if Morigages elects so to do nuegely to the payment of the principal balance then unraid on licitation of the second of the second state of the second s indents structure of any detect in any insurance police. At anure to transmit any premiums to any manter-or by reason of orest solvice charges are imposed, he subject to any liability for Springer type 'memaner policies. Morthagee allali not, whether bits for the collection and distuisament of premiums on Mongages may drom time to time, establish reasonable survice edesands to pits said addigations or to keep the promises manad. Martyageo To destance the same or relieve Mortgagor from Misthey but in the absence of such direction, impose any daty upon

tumber without the written consent of Mortgagee, (hat if any of Mortestor sal not cut or permit the cutting or removal of any torerimental rules and regulations with reference thereto, that Mottasor will promptly comply with any and all municipal and la good older and repair and at tenantable condition; that will keep the real and personal property herdinabove described Faste of the said membes, or any part mereof that Mortgagor-2. That Morigager will not commit of permit strip or

to the application of the insurance proceeds to the same MILNESSELH pail or interest of the indebtednesses bereas source or in or reconstruct shall not arise unless the Mortgager shall consent bhappent (For value received by the Mortgagor from the Mortgagee, the Mortgagor does hereby grant, hargain, mortgage and convey unto the Mortgagee all the Tollowing described property situated in KLAMATH County, Oregon, to wit and the second se

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the property compared of destroyed. hureby section of to be used for the reast of recontraction of prension in he supplied to the payment of the mechanism todante par biocesque et aux murrence begienes alere que une morthance may request that the Alertance may of its option mis sun mults un angun saca impri concurs er rohe was the curstage is madequate, the Margaret will do such mentance le higherices pa que recent terretors of the Antherice

VIOL/SHEES of his tibe to the said property at may be requested by the 4. That he will execute of produce such forther sparshire

seconed bereby. the nois mentioned above, whichever is greater, and Mull be mutral pr. C's per whilen, of at the rate of micros set forth in and any ordenses so incurred and say some to paid shall bear that fee, make any repair, or do any other of the things required, delacts proceede any management pay any taxes or here of ability my obligation on the part so to do, and without warver of such done or Writtingd, the Morigane may, at its option, but without during perform any of the sels of Smags herein required so be 5 9- That in case the Mortgeer shall full, prefect or refuse to

networks the fluxe of and loss of shoarded flug leading and a series church out of the fluxe of required of the transferre were a new loan spinicant. Mortrager tion the description when an united in worth mittandy, he Morgaged's consent to such a transfer, Mongerer way require the indebiedness hereby werman. Then any application for thereof, whether or not the transform assents on agrees to pay Mortgogets, transfers his interest in said premises or any part SSB1-TB01 he will col, while it prior within contrast of

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between

Dennis A. Nelson and Louise Nelson, Husband & Wife herein called "Mortgagor", and WESTERN BANK an Oregon banking corporation, herein called "Mortgagee", bront Accord Bortow the fictionnance of any of the concurnts or agreements of this

MORTGAGE

THIS INDENTURE, made this 24 th day of March

ether paper discontined by the Mordapre of held by the domagnet, or the determine for and that is advances of perioding Tise, Mortgagor does hereby covenant and agree to and with the Mortgagee, its successors and assigns: 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 Mortgagor 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. Mortgages shall, upon the written direction of Mortgagor, and may, without such direction, apply sums paid by Mortgagor 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 Mortgagor 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 indebtednesses 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 indebtednesses secured hereby, each such payment to bear interest as provided in the promissory note mentioned herein-

That Mortgagor will not commit or permit strip or 2. waste of the said premises, or any part thereof; that Mortgagor will keep the real and personal property hereinabove described in good order and repair and in tenantable condition; that Mortgagor will promptly comply with any and all municipal and governmental rules and regulations with reference thereto; that Mortgagor 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. Morigagor 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 or repair.

3. That he will, at his own coat and expense, keep, the building or buildings, now or hereafter upon said premises, together with all personal property covered by the lien hereof, 37°ГР THIS INDENTER Made that

insured against loss by fire and against loss by such other hazards as the Mortgagee may from time to time require, in one or more insurance "companies" satisfactory to or designated by the Mortgagee, in an aggregate amount not less than the amount of the indebtedness hereby secured (unless the full insurable value of such building or buildings is less than the amount hereby secured, in which event the Mortgagor shall insure to the amount of the full insurable value); that all policies of insurance upon said premises, including policies in excess of the amount hereinabove mentioned and policies against other hazards than those required, shall contain such provisions as the Mortgagee shall require and shall provide, in such form as the Mortgagee may prescribe, that loss shall be payable to the Mortgagee; that all such policies and receipts showing full payment of premiums therefor shall be delivered to and retained by the Mortgagee during the existence of this mortgage; that at least 5 days prior to the expiration of any policy or policies he will deliver to the Mortgagee satisfactory renewals thereof together with premium receipts in full; that if any policy or policies shall impose any condition upon the liability of the insurer or shall contain any "average clause" or other provision by which the insurer may be liable for less than the full amount of the loss sustained, he will, as often as the Morigagee may require, provide the Morigagee with all such evidence as it may request concerning the performance of such condition or the existence of any facts or the value of the property insured and, if it shall appear to the Mortgagee that the insurance is prejudiced by the acts or omissions of the Mortgagor or that the coverage is inadequate, the Mortgagor will do such acts and things and obtain such further insurance as the Mortgagee may require; that the Mortgagee may, at its option, require the proceeds of any insurance policies upon the said premises to be applied to the payment of the indebtedness hereby secured or to be used for the repair or reconstruction of the property damaged or destroyed.

4. That he will execute or procure such further assurance of his title to the said property as may be requested by the Mortgagee.

5. That in case the Mortgagor shall fail, neglect or refuse to do or perform any of the acts or things herein required to be done or performed, the Mortgagee may, at its option, but without any obligation on its part so to do, and without waiver of such default, procure any insurance, pay any taxes or liens or utility charges, make any repair, or do any other of the things required, and any expenses so incurred and any sums so paid shall bear interest at 8% per annum, or at the rate of interest set forth in the note mentioned above, whichever is greater, and shall be secured hereby.

6. That he will not, without the prior written consent of Mortgagee, transfer his interest in said premises or any part thereof, whether or not the transferee assumes or agrees to pay the indebtedness hereby secured. Upon any application for Mortgagee's consent to such a transfer, Mortgagee may require from the transferee such information as would normally be required if the transferee were a new loan applicant. Mortgagee shall not unreasonably withhold its consent. As a condition of its consent to any transfer, Mortgagee may, in its discretion, impose a service charge not exceeding one percent of the original amount of the indebtedness hereby secured and may increase the interest rate on the indebtedness hereby secured by not more than one percent per annum.

7. That, if any default be made in the payment of the principal or interest of the indebtednesses hereby secured or in the performance of any of the covenants or agreements of this mortgage, the Mortgages may, at its option, without notice, declare the entire sum secured by this mortgage due and payable and foreclose this mortgage. PHYRAD P 11 32

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above.

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hereby secured. No condition of this mortgage shall be deemed accrued or which may arise or accrue during the pendency of such suit; that any amount so received shall be applied toward waived unless the same be expressly waived in writing by the Mortgagee. Whenever any notice, demand, or request is required the payment of the debt secured hereby, after first paying by the terms hereof or by any law now in existence or hereafter therefrom the charges and expenses of such receivership; but enacted, such notice, demand or request shall be sufficient if until a breach or default by the Mortgagor in one or more of his covenants or agreements herein contained, he may remain in personally served on one or more of the persons who shall at the time hold record title to the property herein described or if possession of the mortgaged property and retain all rents actually. eticlosed in a postpaid envelope addressed to one or more of paid to and received by him prior to such default. such persons or to the Mortgagor at the last address actually 9. The word "Mortgagor", and the language of this instrufurnished to the Mortgagee or at the mortgaged premises and IN. WITNESS WHEREOF, the Mortgagor <u>s</u>have deposited in any post office, station or letter box. the day and year first hereinabove written. hereunto set their hands and seal S Bran unse Nelson (SEAL) STATE OF OREGON (SEAL) County of KLAMATH March 24 Personally appeared the above named \_\_\_\_\_\_\_ Dennis A. Nelson and Louise Nelson, Husband & Wife sed the foregoing instrument to be <u>their</u> voluntary act and deed. Before me: Elteranto Westein Bank James A Bingham Notary Public for Oregon. My Commission Expires: OFOR STATE OF UHEGON; COUNTY OF KLAMATH; 58 I hereby certify that the within instrument was received and filed for record on the \_\_\_\_\_\_ day of March A.D., 1978 at 3126 o'clock P.M., and duly recorded in Vol. 178 of<u>Marceages</u>on Page <u>5874</u> WM. D, MILNE, County Clerk FEE\_\$9.00\_ By Bernesta Shelsth Deputy

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 attomey'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

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 beirs, 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

