52858

This Indenture, made this 31st day of July, 1978, between Edward W. Sawyer and Joanne M. Sawyer, husband and wife, hereinafter called "Mortgagor", and FIRST NATIONAL BANK OF OREGON, a national banking association, hereinafter called "Mortgagee" whose address is 501 Main St., Klamath Falls, Ore. 97601

WITNESSETH:

For value received by the Mortgagor from the Mortgagee, the Mortgagor has granted, bargained, sold and does hereby grant, bargain, sell and convey unto the Mortgagee, all the following described property situate in Klamath County, Oregon, to wit:

Lot 20, Block 56, Klamath Falls Forest Estates Highway 66 Unit, Plat No. 3, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

together with the tenements, hereditaments and appurtenances now or hereafter thereunto belonging or in anywise appertaining; also all such apparatus, equipment and fixtures now or hereafter situate on said premises, as are [illegible] furnished by landlords in letting unfurnished buildings similar to the one situated on the real property hereinabove described, including but not limited to [illegible] fixtures and personal property used or intended for use for plumbing, lighting, heating, cooking, cooling, ventilating or [illegible] and other floor coverings attached to floors, and shelving, counters, and other store, office and trade fixtures; also the rents, issues and profits arising from or in connection with the said real and personal property or any part thereof.

To Have and To Hold the same unto the Mortgagee, its successors and assigns, forever.

And the Mortgagor does hereby covenant to and with the Mortgagee that he is lawfully seized in fee simple of the said real property, that he is the absolute owner of the said personal property, that the said real and personal property is free from encumbrances of every kind and nature, and that he 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 $ Fifteen Thousand dollars and 00/100 and interest thereon in accordance with the tenor of a certain promissory note executed by Edward W. Sawyer and Joanne M. Sawyer, Husband and Wife

dated July 31, 1978, payable to the order of the Mortgagee in installments not less than $ 180.04 each, including interest, on the 4 day of each month commencing September 4, 1978, until August 4, 1993, when the balance then remaining unpaid shall be paid.

The Mortgagor does hereby covenant and agree to and with the Mortgagee, its successors and assigns:

1. That he will pay, when due, the indebtedness hereby secured, with interest as prescribed by said note, and all taxes, liens and utility charges upon said premises or for services furnished thereto.

2. That he will not commit or permit strip or waste of the said premises or any part thereof; that he will keep the real and personal property herein above described in good order and repair and in tenantable condition; that he will promptly comply with any and all municipal and governmental rules and regulations with reference thereto; that if any of the said property be damaged or destroyed by any cause, he will immediately reconstruct or repair the same, so that, when completed, it will 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 against which insurance is carried, the obligation of the Mortgagor to repair or reconstruct shall not arise unless the Mortgagee shall consent to the application of insurance proceeds to the expense of such reconstruction or repair.

3. That he will, at his own cost and expense, keep the buildings now or hereafter on said premises, together with all personal property covered by the lien hereof, insured against loss by fire and 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 buildings is less than the amount hereby secured, in which case the Mortgagor shall insure to the full insurable value), 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 with receipts showing full payment of premiums thereon shall be delivered to and retained by the Mortgagee during the existence of this mortgage, and at least [illegible] days prior to the ex-

piration of any policy or policies he will deliver to the Mortgagee satisfactory renewals thereof together with premium receipts or bills; 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 whereby the insurer may be liable for less than the full amount of the loss sustained, he will, as often as the Mortgagee may require, provide the Mortgagee with all such evidence as it may request concerning the performance of such condition or the existence of any such, or the value of the property insured; and, if it shall appear to the Mortgagee that the insurance is prejudiced by the act or omission 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 to so do, and without waiver of such default, procure any insurance, pay any taxes or liens or utility charges, make any repairs, or do any other of the things required, and any expenses so incurred and any sums so paid shall bear interest at 10% per annum 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 indebtedness hereby secured or in the performance of any of the covenants or agreements of this mortgage, the Mortgagee may, at its option, without notice, declare the entire sum secured by this mortgage due and payable and foreclose this mortgage.

8. That, in the event of the institution of any suit 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 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; 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 the indebtedness hereby secured and without notice to the Mortgagor or any one else, appoint a receiver to take possession and charge 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, and the 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 any of the 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.

10. The word "Mortgagor" and the language of this instrument 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 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, said Mortgagor has executed this indenture the day and year first above written.

Edward M. Sawyer

[illegible] M. Sawyer

STATE OF OREGON

County of Klamath ss.

July 21 1978

Personally appeared the above named Edward M. Sawyer & [illegible] M. Sawyer

and acknowledged the foregoing instrument to be their *voluntary act and deed.*

Before me:

(SEAL) [illegible]

Notary Public for Oregon

My commission expires: 11-19-78

CORPORATE ACKNOWLEDGEMENT

STATE OF OREGON, County of ______________) ss.

______________ 19 ______

Personally appeared ______________

and ______________

who being duly sworn, did say that he ______________

______________ *is the*

and he ______________

______________ *is the*

______________ *of*

a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation (provided said corporation has such seal) and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed.

Before me:

Notary Public for Oregon ______________ (Seal)

My commission expires:

MORTGAGE

AFTER RECORDATION RETURN TO
FIRST NATIONAL BANK OF OREGON
[illegible]

STATE OF OREGON) ss.
County of Klamath)

Filed for record at request of

[illegible] Title Co.

on this [illegible] day of August A.D. 1978

at 11:50 o'clock A M. and duly

recorded in Vol. M78 of Mortgages

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WM. D. MILNE, County Clerk

By [illegible] Deputy

Fee 6.00