M38-16059

MORTGAGE

Vol. M78 Page 25527

FOR VALUE RECEIVED, S. T. H., INC., an Oregon Corporation

Mortgagors, do mortgage unto OREGON TRAIL SAVINGS & LOAN ASSOCIATION, an Oregon corporation, Mortgagee, the following-described real property

EXHIBIT "A"

The following described real property in Klamath County, Oregon:

PARCEL 1:

Lots 2, 4, 17 and 18 of the Subdivision of Lot 803, ENTERPRISE TRACTS.

PARCEL 2:

Lot 5, of the Re-Subdivision of Lot 803, ENTERPRISE TRACTS in the City of Klamath Falls, Klamath County, Oregon, according to the official records thereof on file in Klamath County, Oregon.
EXCEPTING THEREFROM a parcel of land deeded to State of Oregon, by and through its State Highway Commission, by deed dated on July 20, 1943, recorded September 18, 1943 in Vol. 158 of Deeds page 407, records of Klamath County, Oregon, as follows:

Beginning at the Southeast corner of said Lot 5; thence North 34° 11' East along the Easterly line of said Lot 5 a distance of 10.22 feet to a point opposite and 40 feet Northerly from Station 4+44.62; thence parallel to and 40 feet distance from the relocated center line of the Klamath Falls-Lakeview Highway, North 55° 50' 30" West a distance of 45.05 feet to the Westerly line of said Lot 5; thence South 34° 11' West along said Westerly line a distance of 10.20 feet to the Southwest corner of said Lot 5; thence South 55° 49' East along the South lot line a distance of 45.05 feet to the point of beginning.

PARCEL 3:

Lot 3 of the Subdivision of Lot 803, ENTERPRISE TRACTS, EXCEPT portion conveyed to the State of Oregon by instrument recorded in Volume 161, Page 42, Deed Records of Klamath County, Oregon.

Mortgagors hereby irrevocably constitute and appoint Mortgagee as their attorney in fact for them and in their place and stead to make and deliver proofs of loss under or upon any policy of insurance and to adjust, sue for, or compromise any claim thereunder, and to collect the proceeds of any such insurance and apply such proceeds either towards payment on this mortgage or to the repair and rebuilding of the damaged premises as it may elect. In order to pay accruing taxes and insurance premiums during the term of this mortgage, Mortgagors shall deposit with Mortgagee each month an amount estimated to be equal to one-twelfth of the estimated taxes and accruing insurance premiums. In the event of assessments lawfully levied against the premises and not paid by the Mortgagors, the Mortgagee may enter into such agreement as it deems best with the governmental body levying said assessment and may add to the balance due hereunder such sums at such times as they become due and add to the monthly payments called for herein a pro-rata share of the amount the Mortgagors shall be required to pay during the lifetime of the within mortgage. The moneys so deposited by Mortgagors shall be credited to a reserve account, and Mortgagee is herewith authorized to charge against said account as a withdrawal sufficient amounts to pay accruing taxes and insurance premiums when due to the full extent of said account, if necessary. Should there be insufficient sums in said account to pay said taxes and insurance premiums when due, Mortgagors shall, upon demand, pay to Mortgagee an amount necessary to satisfy said deficiency. In the event Mortgagors shall fail to make the payments upon said promissory note and for such future advances as secured hereby, Mortagee may, in its option, apply the balance in the said reserve account toward payment of principal and interest.

Mortgagee may enter upon said premises at any reasonable time for inspection or for the purpose of finishing any building abandoned by the Mortgagors and for the purpose of making any repairs which the Mortgagee may deem necessary, the Mortgagee being the sole judge of the necessity for such entry, construction and/or repair. Expenditures made by Mortgagee for the payment of taxes, insurance premiums, costs of construction or repair shall, as expended, at once become due, bear interest at the rate provided in said note from the date of expenditure until paid, and be secured by this mortgage. Such payments made by the Mortgagees shall in no way constitute a waiver by the Morgtagee of the breach of the Mortgagors. Mortgagors hereby assign to Mortgagee all rents, issues and profits of said mortgaged property as further security for the payment of sums due or to become due on this mortgage. Mortgagee shall have the right and it is hereby appointed agent to collect such rents, issues and profits. All rents, issues and profits so collected by Mortgagee shall be applied to the costs of renting and managing said property, costs of necessary repairs thereto, operating expenses, reasonable compensation to any trustee, and any balance to the payment of sums due and owing under any provision of said note and this mortgage.

Time is material and of the essence of each and every paragraph and provision of this mortgage. Should default be made by Mortgagors in the payment of any of the installments on the date provided or in the performance of any of the agreements herein contained, then and in such event, and at the option of the Mortgagee, the whole amount unpaid on said note or on this mortgage shall at once become due and payable, and this mortgage may be foreclosed at any time thereafter. The failure of Mortgagee to require performance of any term or condition of said promissory note, or of this mortgage shall not operate to release, modify or affect the original liability of Mortgagors hereunder, or be construed as a waiver of any covenant or agreement herein contained or of any existing breach or subsequent breach hereof.

In any suit, or any appeal thereof, to foreclose this mortgage or any suit, action or proceeding which Mortgagee may find expedient to prosecute or defend to protect the lien hereof, Mortgagors agree to pay a reasonable sum for attorney's fees, and costs of searching and abstracting records, which sums shall be secured hereby and included in the decree of foreclosure. Mortgagors further authorize the Court in the event of a suit by Mortgagee to foreclose this mortgage or in case it becomes necessary for Mortgagee to exercise the assignment of rents, issues and profits, as hereinabove provided, to appoint a receiver to take possession of said property, care for the same, collect the rents, issues and profits therefrom, and the costs of said receivership and reasonable compensation to any trustee to be paid by Mortgagors. Mortgagors further agree to pay reasonable costs of credit reports, costs of inspection of the property, and expenses incurred by Mortgagee in collecting any sums past due and owing hereof. Said costs, charges and expenses incurred shall become at once due, bear interest from the date the same accrue at the rate provided in said note and shall be secured by this mortgage.

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with the appurtenances, tenements, hereditaments, easements, rents, issues, profits, water rights and other rights or privileges now or hereafter belonging to or used in connection with the above described premises and including but not limited to all plumbing, lighting, heating, cooling, ventilating, cleaning and elevating, gas and electrical equipment, water systems and equipment for domestic use or irrigation purposes, window shades, shutters, awnings, window screens, screen doors, mantels, boilers, airconditioning units, oil burners, tanks shrubbery and trees, now or hereafter attached to, located on or used in connection with said premises, and whether the same be attached to said premises by means of screws, bolts, pipe connections, machinery or in any other manner, together with all interest therein that the mortgagors may hereafter acquire, and at the option of the Mortgagee, the Mortgagors agree to execute one or more financing statements pursuant to the Uniform Commercial Code.

This mortgage is given to secure the payment of the principal sum of $ 240,000.00 and interest thereon as evidenced by a promissory note of even date herewith signed by Mortgagors and such future advances of any character which the Mortgagee may make to Mortgagors under the provisions of this mortgage, or otherwise, all maturing on the last day of November 1993.

Mortgagors agree to pay, when due, all taxes, levies and assessments against said property; to keep the buildings upon said property in good state of repair, to pay for such repairs when made, and not suffer or commit any strip or waste to said property; that they will complete all buildings in the course of construction or to be constructed thereon within six (6) months from the date hereof; to satisfy any and all liens or encumbrances that are or may become a lien upon said property, or any part thereof, superior to the lien of this mortgage; to keep the buildings and improvements now on or which may hereafter be erected upon the premises insured in favor of Mortgagee in a sum not less than the insurable value thereof against hazard by fire and such other hazards as Mortgagee may require and in such companies as Mortgagee may approve; have all policies of insurance made payable to Mortgagee as its interest may appear, and cause to be delivered to Mortgagee all policies of insurance on said property as soon as insured. Failure of Mortgagors to deliver acceptable insurance policies within ten days of the date of expiration of existing policies shall authorize Mortgagee to purchase adequate insurance in such companies as it may designate, but Mortgagee shall not be held responsible for failure to have any insurance written or for loss or damage growing out of any defect in any policy of insurance. Mortgagors hereby irrevocably constitute and appoint Mortgagee as their attorney in fact for them and in their place and stead to make and deliver proofs of loss under or upon any policy of insurance and to adjust, sue for, or compromise any claim thereunder, and to collect the proceeds of any such insurance and apply such proceeds either towards payment on this mortgage or to the repair and rebuilding of the damaged premises as it may elect. In order to pay accruing taxes and insurance premiums during the term of this mortgage, Mortgagors shall deposit with Mortgagee each month an amount estimated to be equal to one-twelfth of the estimated taxes and accruing insurance premiums. In the event of assessments lawfully levied against the premises and not paid by the Mortgagors, the Mortgagee may enter into such agreement as it deems best with the governmental body levying said assessment and may add to the balance due hereunder such sums at such times as they become due and add to the monthly payments called for herein a pro-rata share of the amount the Mortgagors shall be required to pay during the lifetime of the within mortgage. The moneys so deposited by Mortgagors shall be credited to a reserve account, and Mortgagee is herewith authorized to charge against said account as a withdrawal sufficient amounts to pay accruing taxes and insurance premiums when due to the full extent of said account, if necessary. Should there be insufficient sums in said account to pay said taxes and insurance premiums when due, Mortgagors shall, upon demand, pay to Mortgagee an amount necessary to satisfy said deficiency. In the event Mortgagors shall fail to make the payments upon said promissory note and for such future advances as secured hereby, Mortagee may, in its option, apply the balance in the said reserve account toward payment of principal and interest.

Mortgagee may enter upon said premises at any reasonable time for inspection or for the purpose of finishing any building abandoned by the Mortgagors and for the purpose of making any repairs which the Mortgagee may deem necessary, the Mortgagee being the sole judge of the necessity for such entry, construction and/or repair. Expenditures made by Mortgagee for the payment of taxes, insurance premiums, costs of construction or repair shall, as expended, at once become due, bear interest at the rate provided in said note from the date of expenditure until paid, and be secured by this mortgage. Such payments made by the Mortgagees shall in no way constitute a waiver by the Morgtagee of the breach of the Mortgagors. Mortgagors hereby assign to Mortgagee all rents, issues and profits of said mortgaged property as further security for the payment of sums due or to become due on this mortgage. Mortgagee shall have the right and it is hereby appointed agent to collect such rents, issues and profits. All rents, issues and profits so collected by Mortgagee shall be applied to the costs of renting and managing said property, costs of necessary repairs thereto, operating expenses, reasonable compensation to any trustee, and any balance to the payment of sums due and owing under any provision of said note and this mortgage.

Time is material and of the essence of each and every paragraph and provision of this mortgage. Should default be made by Mortgagors in the payment of any of the installments on the date provided or in the performance of any of the agreements herein contained, then and in such event, and at the option of the Mortgagee, the whole amount unpaid on said note or on this mortgage shall at once become due and payable, and this mortgage may be foreclosed at any time thereafter. The failure of Mortgagee to require performance of any term or condition of said promissory note, or of this mortgage shall not operate to release, modify or affect the original liability of Mortgagors hereunder, or be construed as a waiver of any covenant or agreement herein contained or of any existing breach or subsequent breach hereof.

In any suit, or any appeal thereof, to foreclose this mortgage or any suit, action or proceeding which Mortgagee may find expedient to prosecute or defend to protect the lien hereof, Mortgagors agree to pay a reasonable sum for attorney's fees, and costs of searching and abstracting records, which sums shall be secured hereby and included in the decree of foreclosure. Mortgagors further authorize the Court in the event of a suit by Mortgagee to foreclose this mortgage or in case it becomes necessary for Mortgagee to exercise the assignment of rents, issues and profits, as hereinabove provided, to appoint a receiver to take possession of said property, care for the same, collect the rents, issues and profits therefrom, and the costs of said receivership and reasonable compensation to any trustee to be paid by Mortgagors. Mortgagors further agree to pay reasonable costs of credit reports, costs of inspection of the property, and expenses incurred by Mortgagee in collecting any sums past due and owing hereof. Said costs, charges and expenses incurred shall become at once due, bear interest from the date the same accrue at the rate provided in said note and shall be secured by this mortgage.

The Mortgagors consent to a personal deficiency judgment for any part of the debt hereby secured which shall not be [illegible] the sale of the said property, and in case of foreclosure, expressly waive any claim of homestead and all right to possession of the premises during the period allowed by law for redemption.

Mortgagors shall make no sale of the above-described property without first obtaining the written consent therefor of the Mortgagee. As a condition to such consent. Mortgagee may impose a service charge not exceeding an amount one (1) per cent of the principal sum initially secured by this mortgage or any other option contained in the note secured hereby.

The Mortgagors agree to furnish and leave with the said Mortgagee during the existence of this mortgage and all renewals hereof, complete title evidence, which shall become the property of the purchaser at any foreclosure sale, and further agree that said Mortgagee shall be subrogated to the lien, though released of record, of any prior encumbrances on the said premises paid out of the proceeds of this loan.

Each of the covenants or agreements herein shall be binding upon all successors in interest of each of the Mortgagors, and shall inure to the benefit of all successors in interest of the Mortgagee. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

This mortgage secures future advances to Mortgagors in amounts to the aggregate of $ 5,000.00, which advances as made shall merge in the then existing indebtedness hereby secured.

Upon the execution of this mortgage, Mortgagors are declared as members of OREGON TRAIL SAVINGS & LOAN ASSOCIATION, and do herewith acknowledge receipt of copy of the charter and bylaws of this Association. The Association is hereby authorized to act without further inquiry on writings bearing the signatures of the Mortgagors as executed hereon.

EXECUTED this 10th day of November, 1978.

S. T. H., INC., an Oregon Corporation

John A. Harper (SEAL)
John A. Harper, Vice President

Gerald A. Schatz (SEAL)
Gerald A. Schatz, President

Margaret J. Thompson (SEAL)
Margaret J. Thompson, Secretary

_____ (SEAL)

(CORPORATE ACKNOWLEDGMENT)

STATE OF OREGON)
)
County of Jackson)

On this 10th day of November, 1978, personally appeared GERALD A. SCHATZ and MARGARET J. THOMPSON who, being duly sworn, each for himself, did say that the former is the president and the latter is the secretary of S. T. H., INC., a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Florene Stephens
Notary Public for Oregon

My Commission Expires: 9-18-81

STATE OF OREGON)
)ss.
County of Jackson)

On this 10th day of November, 1978, before me appeared JOHN A. HARPER and _____ both to me personally known, who being duly sworn, did say that he, the said JOHN A. HARPER is the Vice President, ~~and the said~~ ~~is the Secretary~~ of S. T. H., INC. the within named Corporation, and that the seal affixed to said instrument is the corporate seal of said Corporation, and that the said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors, and JOHN A. HARPER and _____ acknowledged said instrument to be the free act and deed of said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Florene Stephens
NOTARY PUBLIC FOR OREGON.

My Commission expires 9-18-81

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10-45394 MR
O.S.T.A., Inc.
to
Oregon Trail

Return to:

OREGON TRAIL
Savings & Loan Assn.
333 S. W. Fifth Ave.
Portland, Oregon 97204

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Transamerica Title CO.

this 13th day of November A. D. 19 78 at 3:39 clock P M., and duly recorded in Vol. M78, of Mortgages on Page 25527

Wm D. MILNE, County Clerk

By Bernetha G. Letsch

Fee $12.00