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Vol. 1779 Pos

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THIS INDENTURE, Made this 17th day of January, 1979,

between JERRY L. KURTZ and AZILE DEE KURTZ, husband and wife,

as mortgagor, and RUG RUNNERS INC., an Oregon Corporation

WITNESSETH, That the said mortgagor, for and in consideration of the sum of TWO THOUSAND SEVEN HUNDRED FIFTY-THREE AND 56/100s Dollars (\$28,756.56) it paid by the said mortgagee, do hereby grant, bargain, sell and convey unto the said mortgagee and assigns those certain premises situated in the County of Klamath State of Oregon, and described as follows:

32x18
Lots 1, 2, and 3, Industrial Addition to the City of Klamath Falls, Oregon, as recorded in the office of the County Clerk of Klamath County, Oregon.

Together with all and singular the tenements, hereditaments and appurtenances thereunto 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, at any time during the term of this mortgage.

TO HAVE AND TO HOLD the said premises with the appurtenances unto the said mortgagee and assigns forever.

THIS CONVEYANCE is intended as a Mortgage to secure the payment of the sum of TWENTY EIGHT THOUSAND SEVEN HUNDRED FIFTY-THREE AND 56/100s (\$ 28,753.56) in accordance with the terms of certain promissory note the following substantially copy, to-wit:

\$28,753.56 Klamath Falls, OR, January 17, 1979

I (or if more than one maker) we, jointly and severally, promise to pay to the order of RUG RUNNERS, INC., an Oregon Corporation

at Klamath Falls, Oregon; or a TWENTY EIGHT THOUSAND SEVEN HUNDRED FIFTY THREE and 56/100- - - - - DOLLARS,

with interest thereon at the rate of 7% percent per annum from January 18, 1979 monthly installments of not less than \$ 300.00 in any one payment; interest shall be paid

the minimum payments above required; the first payment to be made on the 18th day of 1979 and a like payment on the 18th day of thereafter, until the whole

interest has been paid; if any of said installments is not so paid, all principal and interest to become immediately due and payable at the option of the holder of this note. 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 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 costs therein, is tried, heard or decided.

* Strike words not applicable.

Jeane Kutz
Patricia Kutz

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

- (a)* primarily for mortgagor's personal, family, household or agricultural purposes (see Notice below),
- (b) for an organization or (even if mortgagor is a natural person) are for business or commercial purposes other than agricultural purposes.

This indenture is further conditioned upon the faithful observance by the mortgagor... following covenants hereby expressly entered into by the mortgagor..., to-wit:

That...lawfully seized of said premises, and now having a valid and fee simple title thereto,

and that...they...will forever warrant and defend the same against the claims and demands of persons whomsoever;

That...they...will pay the said promissory note... and all installments of interest... promptly as the same become due, according to the tenor of said note....;

That so long as this mortgage shall remain in force...they...will pay all taxes, and other charges of every nature which may be levied or assessed upon or against the premises when due and payable, according to law, and before the same become delinquent, and will pay all taxes which may be levied or assessed on this mortgage or the debt thereby secured, and will pay and satisfy any mechanics' liens or other incumbrances that might by operation of law become a lien upon the mortgaged premises superior to the lien of this mortgage;

That...they...will keep all the improvements erected on said premises in good order and will not commit or suffer any waste of the premises hereby mortgaged. At the request of the mortgagor... 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 proper public office or offices, as well as the cost of all lien searches made by filing officers or securities as may be deemed desirable by the mortgagee....

That so long as this mortgage shall remain in force...they...will keep the buildings...

or any which may hereafter be erected on said premises insured against loss or damage by fire, and extended coverage, to the extent of \$.....in some company or companies, and for the benefit of said mortgagee.... and will deliver all the policies and receipts there- of to said mortgagee....

NOW, THEREFORE, if the said mortgagor..... shall pay said promissory note....., and fully satisfy and comply with the covenants hereinbefore set forth, then this conveyance shall remain in full force and virtue as a mortgage to secure the payment of said promissory note..... in accordance with the terms thereof and the performance of the covenants and conditions herein contained; it being agreed that any failure to make any of the payments provided for in said note..... or this mortgage when the same shall become due or payable, or to perform any agreement herein contained, shall give to the mortgagee..... the option to declare the whole amount due on said note....., or upon any or on this mortgage, at once due and payable and this mortgage by reason thereof may be foreclosed at any time thereafter. And if the said mortgagor..... shall fail to pay any taxes or other charges or any insurance premium as herein provided to be done, the mortgagee..... shall have the option to pay the same, and any payment so made shall be added to and become a part of the debt secured by this mortgage, and interest at the rate of ten per cent per annum, without waiver, however, of any right arising from breach of any of the covenants herein.

In case a complaint is filed in a suit brought to foreclose this mortgage, the court shall have the option of the holder of the mortgage, without respect to the condition of the property herein described, to appoint a receiver to collect the rents and profits arising out of said premises, and apply such rents and profits to the payment and satisfaction of the amount due under this mortgage, first deducting all proper charges and expenses of the receivership.

In the event of any suit or action being instituted to foreclose this mortgage, the mortgagor..... shall pay all costs and disbursements allowed by law and such sum as the court may adjudge reasonable for the plaintiff's attorney's fees in such suit or action, and if an appeal is taken from any judgment or decree herein, the mortgagor..... further promises to pay such sum as the appellate court shall adjudge reasonable for the plaintiff's attorney's fees on such appeal, together with the reasonable costs incurred by the mortgagee.... for the costs and title search, all such sums to be secured by the lien of this mortgage and included in the decree of foreclosure.

IN WITNESS WHEREOF, the said mortgagor S. ha VE hereunto set their hand and seal this _____ day and year first above written.

Jerry Lee Kutz
Azalee Dee Kutz

***IMPORTANT NOTICE:** Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable, the mortgages MUST comply with the Truth-in-Lending Act and Regulation Z by making required disclosures; for this purpose, if this instrument is to be a FIRST lien to finance the purchase of a dwelling, use S-N Form No. 1305 or equivalent; if this instrument is NOT to be a first lien, use S-N Form No. 1306, or equivalent.

STATE OF OREGON, JACKSON }
County of Klamath } ss. 21881

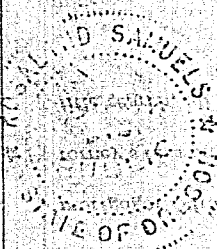
BE IT REMEMBERED, That on this 17th day of January before me, the undersigned, a Notary Public in and for said County and State, personally appeared named Jerry L. Kurtz and Azile Dee Kurtz, husband and wife

known to me to be the identical individual S. described in and who executed the within instrument acknowledged to me that they executed the same freely and voluntarily.

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

Rosalind Lane
Notary Public for Oregon.

My Commission expires 1-18-82



MORTGAGE

(FORM No. 8)

TO

STATE OF OREGON, }
County of Klamath } ss.

I certify that the within instrument was received for record on the 17th day of January, 1979, at 3:35 o'clock P.M., and recorded in book M79 on page 702, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Wm. D. Milne

County Clerk

Title

By *Deborah J. Hatcher* Deputy

Fee: \$12.00

808 STEVENS-NEER LAW FIRM, CO., PORTLAND, ORE.

Return To:

City, 97601

61405

TIA #M-38-17024-4

MORTGAGE

Vol. ^M 79 Page

Loan Number 12-5076

24th

November

8

THIS MORTGAGE, Made the

day of

by

Jerry Lee Kurtz

Mortgagors, unto The Oregon Bank - Downtown Br.

an Oregon Corpora

Mortgagee,

LENDER

WITNESSETH: That the said Mortgagors, in consideration of the sum of Sixty Five Thousand and 00/100 \$ 65,000.00 Dollars,

the receipt of which is acknowledged; and for the purpose of securing the repayment of the said sum with interest, and the performance of the covenants hereinafter contained, do hereby grant, convey, mortgage and warrant unto the said Mortgagee the land and premises and property situated in the County of Klamath and State of Oregon described as follows: to-wit:

Lots 1, 2 and 3, Industrial Addition to the City of Klamath Falls, Oregon

TO HAVE AND TO HOLD the granted premises and property, together with the tenements, hereditaments, rights and appurtenances, now or hereafter belonging to or used in connection with the above described premises including improvements thereon (or that may hereafter be erected thereon), together with the reversions and remainders and profits thereof, together with the following property which is and shall be deemed to be fixtures and a part of the plumbing, heating, cooking, cooling, ventilating, watering, irrigating apparatus, window shades, venetian blinds, windows and doors, shutters and awnings, floor coverings, machinery or any other fixtures and replacements thereof during the term of this mortgage belonging to or used in connection with the above described premises all of which security for the indebtedness herein mentioned.

In addition thereto, the following described furniture, appliances and equipment or other fixtures and any repl which are and shall be deemed to be fixtures and a part of the realty, are included as security for the indebtedness to-wit:

And the Mortgagors hereby covenant with the said Mortgagee as follows:

FIRST: That this mortgage is given to secure the above sum, said sum to be paid in accordance with the terms of a certain promissory note dated November 24, 19 78, executed by Carpet Party, Inc. DBA Oregon Carpet Exchange which said note or notes have a final maturity of December 5, 19 83.

SECOND: The security of this mortgage shall also extend to and cover any additional loan, loans or advances made by the mortgagee Party, Inc. DBA Oregon Carpet Exchange, or any of his successors in ownership in the real estate.

FOURTEENTH: In the event suit or action is instituted to enforce any of the terms of this mortgage, the Mortgagee shall be entitled to recover from the Mortgagors such sum as the court may adjudge reasonable as attorneys' fees at trial and on any appeal. All reasonable expenses incurred by the Mortgagee that are necessary at any time in the Mortgagee's opinion for the protection of its interest or the enforcement of its rights, including without limitation the cost of searching records, obtaining title reports, surveyors' reports, attorneys' opinions or title insurance, whether or not any court action is instituted, shall become a part of the indebtedness secured hereby, payable on demand and shall bear interest at the rate of ten percent per annum from the date of expenditure until repaid.

FIFTEENTH: Should the Mortgagors be or become in default in any of the covenants or agreements contained herein, then the Mortgagee (whether or not the transferee assumes or agrees to pay the indebtedness hereby secured) may perform the same and all expenditures made by the Mortgagee in so doing, or under any of the covenants or agreements herein, shall draw the same rate of interest as is provided to be paid on the principal of the mortgage, and all such expenditures shall be repayable by the Mortgagors without demand, and together with interest and costs accruing thereon, shall be secured by this mortgage; and the rights and duties of the parties covenanted for in this paragraph shall apply equally to any and all part payments or advances made by the Mortgagee for any of the purposes herein referred to.

SIXTEENTH: Mortgagors will not, without prior written consent of Mortgagee, transfer Mortgagors' 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 impose a service charge and may increase the rate of interest on the indebtedness hereby secured.

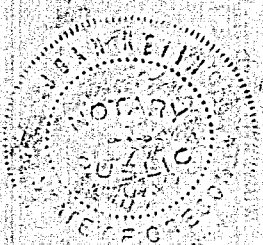
SEVENTEENTH: Should the debt hereby secured and all sums due under the terms and covenants hereof be paid when due, then this indenture shall be void, but in case default be made in the payment of the principal or interest, or any part or installment thereof, or in case the Mortgagors shall refuse or default in the payment of any sum which may become due under the terms hereof when and as the same become due, or shall default in the fulfillment of any of the terms hereof or the performance of any of the provisions herein required by them as and when the same are required to be performed hereby, or shall permit or suffer any default in any of the terms hereof, time being the essence hereof, then the whole of the principal sum secured hereby and the interest thereon and any and all other sums due the Mortgagee under the terms hereof shall, at the option of the Mortgagee, become immediately due and payable without notice, and this mortgage may be foreclosed, but the failure to delay of the Mortgagee to exercise such option in any one or more instances shall not be a waiver or relinquishment of the right to exercise such option.

EIGHTEENTH: The mailing address(es) of the Mortgagor (Debtor) is 355 & 357 E. Main St., Klamath Falls, Oregon
 Or. * * * * *

and the address of the Mortgagee (Secured Party) from which security information is obtainable is 222 West Main, Medford, Oregon
 * * * * *

Executed the day and year first above written.

[Signature]



STATE OF OREGON
 County of Jackson } ss.

THIS CERTIFIES That on this 24 day of December, A.D. 1978, before me, the undersigned, a notary public in and for said County and State, personally appeared the within named [Signature] who acknowledged to me to be the identical individual described in and who executed the within instrument, and acknowledged to me that he executed the same as his free act and deed, for the uses and purposes therein expressed.

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

[Signature]
 Notary Public
 My commission expires Oct 30, 1980

STATE OF OREGON

County of.....

ss.

THIS CERTIFIES, That on this..... day of..... A. D. 19....., before
appeared..... and.....

both to me personally known, who being duly sworn, did say that he, the said.....
is the..... President, and he, the said..... is the..... Secretary

....., the within named Corporation, and that the seal affixed to said instrument is
corporate seal of said Corporation, and that the said instrument was signed and sealed in behalf of said Corporation by authori-
its Board of Directors, and that said..... 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, this
day and year first in this, my certificate, written.

Notary Public in and for said County and State
My Commission expires.....

Loan No.

Mortgage

To

STATE OF OREGON,)
County of Klamath)

Filed for record at request of

Transamerica Title Ins. Co

on this 19th day of Jan. A.D. 19 79
at 3:35 o'clock P M, and duly
recorded in Vol. M79 of Mortgages.
Page 1706

Wm D. Milne, County Clerk

By Bernice G. Haddock DeputyFee 12.00

WHEN RECORDED PLEASE MAIL TO:

The Oregon Bank
232 West Main St.
P.O. Box 1056
Medford, OR 97501

....., Oregon