



UNITED STATES NATIONAL
BANK OF OREGON

FRONTIER
MORTGAGE

MORTGAGE

Date: February 23, 1981
Klamath Falls, Oregon

Mortgagor ("Owner"): Kenneth G. Kuhlman

Owner's Address: 1126 1/2 Grant Street
Klamath Falls, Oregon 97601

Owner mortgages to Lender, on the terms set out below, the following "Property" in
County, State of Oregon, including all improvements now and hereafter erected thereon:

Mortgagee ("Lender"):
United States National Bank of Oregon
Address: 740 Main Street
Klamath Falls, Oregon 97601

The Northeast 21 2/3 feet of Lot 7 and the Southwest 21 2/3 feet of Lot 8,
Block 60, of Nichols Addition to the City of Klamath Falls, according to
the official plat thereof, records of Klamath County, Oregon, and more par-
ticularly described as follows:

Beginning at the most Northerly corner of Lot 7, of Block 60, of Nichols
Addition to the City of Klamath Falls, Oregon, thence Northeasterly along
the Southeasterly line of Grant Street in said city 21 2/3 feet; thence
Southeasterly at right angles to Grant Street 43 1/3 feet; thence Southwesterly
parallel with Grant Street 120 feet; thence Northwesterly at right angles
with Grant Street 120 feet; thence Northeasterly along the Southeasterly
line of Grant Street 21 2/3 feet to the place of beginning.

2. This Mortgage secures the repayment of all amounts owed on a loan evidenced by a promissory note ("Note")
signed by Kenneth G. Kuhlman ("Borrower") which is payable to Lender. This Note
is dated 2/13/81, the original Loan Amount is \$10,000.00, and the last payment is due 2/24/91.

Lender may without notice renew or extend the Note, and this Mortgage shall secure all such extensions and renewals
whether or not the extensions and renewals are longer than the original period of the Note.

3. Owner agrees to perform all acts necessary to
insure and preserve the value of the Property and Lender's
interest in it, including but not limited to the following
acts: 3.1 Owner will keep the Property in good con-
dition and repair. Unless Lender expressly waives the
requirement in writing, Owner will insure the Property,
by policies payable to Lender under Lender's loss pay-
able endorsement, for fire and extended coverage, and
also against all other risks that Lender may require.

The amount of insurance must be enough to pay 100%
of any loss up to the balance owed on the loan, de-
spite the effect of any co-insurance clause. Owner will
provide Lender with proof of such insurance satisfac-
tory to Lender. Lender may inspect the Property at
any time.

3.2 Owner will not sell or otherwise transfer any
interest in the Property, or offer to do so, without
Lender's written consent.

3.3 Owner will pay all taxes, assessments, liens
and other encumbrances on the Property which might
take priority over this Mortgage when they are due.

4. If Owner fails to perform any of the agreements
made in Section 3, Lender may pay for the performance
of the agreements and add the cost to the Loan Amount,
on which interest is calculated. Owner will pay Lender the
costs immediately or in increased payments, whichever
Lender demands.

5. The following are events of default under this
Mortgage:

5.1 The promised payment amounts on the
Note are not paid by the promised payment dates, or
there is a failure to perform any agreement in the
Note.

5.2 Owner fails to perform any of the agree-
ments made in Section 3, whether or not Lender has
paid for the performance of the agreement.

5.3 There is a default under any other agree-
ment that secures the Note.

5.4 Any signer of this mortgage or any signer
of the Note misrepresented or falsified any material
fact in regard to either the Property, the financial con-
dition of any signer of the Note or any guarantor or
surety for the Note, or the application for the loan
evidenced by the Note.

5.5 The property is damaged, destroyed, sold,
levied upon, seized, attached, or is the subject of any
foreclosure action.

5.6 Any signer of this Mortgage, any signer of
the Note, or any guarantor or surety for the Note,
dies, becomes insolvent, makes an assignment for
creditors or is the subject of any bankruptcy or re-
ceivership proceeding.

5.7 Any partnership or corporation that has
signed the Note or this mortgage, or is a guarantor or
surety for the Note, dissolves or terminates its exis-
tence.

6. After default, Lender may take one or more of
the following actions at Lender's option, without notice
to Owner:

6.1 Lender may continue to charge interest on
the unpaid part of the Loan Amount at the rate of
interest specified in the Note.

6.2 Lender may declare the entire unpaid
amount owed on the loan, including interest, to be
due and payable immediately.

6.3 Lender may, with respect to all or any por-
tion of the Property, exercise the right to foreclose

(Continued on back)

this Mortgage by judicial foreclosure in accordance with applicable law. The borrower shall pay to the lender, enter upon, take possession of and manage the Property, and collect the rents from the Property, provided the Property is not then the farm lands or homestead of Owner. Lender shall be entitled to appointment of a receiver, whether or not the apparent value of the Property exceeds the amount that is owed on the Note and this Mortgage. The receiver shall serve without bond, if the law permits it, for the purpose of

6.5 Owner will be liable for all costs and disbursements Lender may be entitled to by law in connection with any action, suit, or proceeding to collect any amount Owner owes, or to, foreclose upon, the Property. 6.6 If Lender refers the Note or this Mortgage to a lawyer who is not Lender's salaried employee, Owner will pay Lender reasonable fees that Lender actually pays the lawyer, including any for appeals, costs, and disbursements.

7. The rights of Lender under this Mortgage are in addition to Lender's rights under any other agreements or under the law. Lender may use any combination of those rights, the exercise of which may be subject to law, to enforce the obligations of the Note and this Mortgage.

8. Lender is not required to give Owner any notice, except notices that are required by law and cannot be given up by Owner. Any notice Lender must give to Owner will be considered given when mailed to Owner at the address shown as Owner's address on front of the Note. Except in situations for which a longer notice period is specifically provided by law, Owner agrees that 10 days notice is reasonable notice.

9. Lender may require Owner to perform all agreements precisely and on time, even if Lender may at other times have given Owner extra time or may not have required precise performance.

10. Lender will satisfy this Mortgage when the entire amount owed has been paid in full. However, Owner will pay the fee for filing the satisfaction.

11. If all or any part of the Property is condemned, Lender may at its election require that all or any portion of the net proceeds of the award be applied on the Note. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses and attorneys' fees necessarily paid or incurred by Owner and Lender in connection with the condemnation. If any proceedings in condemnation are filed, Owner shall promptly take such steps as may be necessary to defend the action and obtain the award.

12. Special provisions (if any):

Summit Title Co.

3/13/81
Kenneth G. Kuhlman
INDIVIDUAL ACKNOWLEDGMENT

STATE OF OREGON)
County of Klamath) ss.
2-23, 1981

Personally appeared the above-named
Kenneth G. Kuhlman
and acknowledged the foregoing instrument to be his
voluntary act.

CORPORATE ACKNOWLEDGMENT

STATE OF OREGON)
County of) ss.
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Personally appeared _____, and
that he, the said _____, who, being sworn, stated
and he, the said _____ is a _____ of

Mortgagor corporation; and that the seal affixed hereto is its seal
and that this Mortgage was voluntarily signed and sealed in be-
half of the corporation by authority of its Board of Directors.

Before me: _____, Notary Public for Oregon
My commission expires: _____

Notary Public for Oregon
My commission expires:

THIS SPACE FOR RECORDER'S USE

County of Klamath)
Filed for record at request of
Frontier Title Co.
on this 24th day of February A.D. 19 81
at 9:58 o'clock A.M. and duly
recorded in Vol. 181 of Mortgages
Page 3207

EVELYN BERN, County Clerk
By *Bernita H. H. H.* Deputy

Fee \$7.00

Kenneth G. Kuhlman
P. O. Box 5174, Klamath Falls, OR 97601
United States National Bank of Oregon
740 Main Street
Klamath Falls, Oregon 97601
After recording return to:
United States National Bank of Oregon
740 Main Street
Klamath Falls, Oregon 97601

NOTICE