

88298

Vol. mgl Page 6579THIS MORTGAGE, Made this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_,  
by ROGER C. DAWES and VICKY J. DAWES, husband and wifeto ATHEL D. KEELY and VIOLET E. KEELY, husband and wife, Mortgagee,  
Mortgagee,WITNESSETH, That said mortgagor, in consideration of SEVENTY THOUSAND & 00/100 Dollars, to him paid by said mortgagee, does herebygrant, bargain, sell and convey unto said mortgagee, his heirs, executors, administrators and assigns, that certain real property situated in Klamath County, State of Oregon, bounded and described as follows, to-wit:

See Exhibit "A" attached hereto and by this reference made a part hereof.

**SUBORDINATION STIPULATION:** It is agreed by the sellers-mortgagees herein that in the event that no unrescinded notice of default under the terms then appears of record, that the sellers-mortgagees shall, at buyers request, subordinate this mortgage to any mortgage thereafter executed by the buyers-mortgagors covering the land described herein and securing construction or improvement loans made by a bank or savings and loans association. Any such loans shall be evidenced by a promissory note or notes not in excess of 75% of appraised value of the lender, bearing interest at not more than 18% per year, payable at times and on terms that are required by the lender but over a period of not less than five (5) years or more than twenty (20) years. The loans shall be used for construction of new improvements on the described land or for construction of renovations or additions to existing improvements on the described land. This subordination shall apply to interim, short-term construction loans and to permanent loans placed on the described land after completion of the improvements.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging 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 or at any time during the term of this mortgage. TO HAVE AND TO HOLD the said premises with the appurtenances unto the said mortgagee, his heirs, executors, administrators and assigns forever.

This mortgage is intended to secure the payment of 1 promissory note, of which the following is a substantial copy:

See Exhibit "B" attached hereto and by this reference made a part hereof.

\$ 70,000.00

Klamath Falls, OR 97601

April

1981

I (or if more than one maker) we, jointly and severally, promise to pay to the order of ATHEL D. KEELEY and VIOLET E. KEELEY, husband and wife,

at SEVENTY THOUSAND & 00/100 DOLLARS.

with interest thereon at the rate of 10% percent per annum from May 1, 1981 until paid, payable in installments of not less than \$ 675.54 in any one payment; interest shall be paid and the minimum payments above required; the first payment to be made on the 1st day of May 19 81, and a like payment on the First day of each month thereafter, until the whole sum, principal and interest has been paid; if any of said installments is not so paid, all principal and interest to become immediately due and collectible 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 holder's reasonable attorney's fees and collection costs, even though no suit or action is filed hereon; however, if a suit or an 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 is filed, the is tried, heard or decided.

\* Strike words not applicable.

The date of maturity of the debt secured by this mortgage is the date on which the last scheduled principal payment becomes due, to-wit: April 1, 2001.

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

(a) for the purchase of real estate (see Important Notice below),  
(b) for an organization, (even if mortgagor is a natural person) are for business or commercial purposes other than agricultural purposes.

This mortgage is inferior, secondary and made subject to a prior mortgage on the above described real estate made by ATHEL D. KEELY and VIOLET E. KEELY, husband and wife

to MACHELLE D. STROP dated August 27 1979, and recorded in the mortgage records of the above named county in book M79 tile number 73166, at page 20654 thereof, or as hereby being made; the said first mortgage was given to secure a note for the principal sum of \$ 25,000.00; the unpaid principal balance thereof on the date of the execution of this instrument is \$ 23,916.76 and no more; interest thereon is paid to January 27 1981, said prior mortgage and the obligations secured thereby hereinafter, for brevity, are called simply "first mortgage".

The mortgagor covenants to and with the mortgagee, his heirs, executors, administrators and assigns, that he is lawfully seized in fee simple of said premises; that the same are free from all encumbrances except said first mortgage and further except...

and that he will warrant and forever defend the same against all persons; further, that he will do and perform all things required of him and pay all obligations due or to become due under the terms of said first mortgage as well as the note secured hereby, principal and interest, according to the terms thereof; that while any part of the note secured hereby remains unpaid he will pay all taxes, assessments and other charges of every nature which may be levied or assessed against said property, or this mortgage or the note secured hereby, when due and payable, and before the same become delinquent; that he will promptly pay and satisfy any and all liens or encumbrances that are or may become liens on the premises or any part thereof superior to the lien of this mortgage; that he will keep the buildings now on or which hereafter may be erected on the said premises continuously insured against loss or damage by fire

and such other hazards as the mortgagee may from time to time require, in an amount not less than \$\_\_\_\_\_ in a company or companies acceptable to the mortgagee herein, with loss payable, first to the holder of the said first mortgage; second, to the mortgagee named herein, and then to the mortgagor as their respective interests may appear; all policies of insurance shall be delivered to the holder of the said first mortgage as soon as insured, and a certificate of insurance executed by the company in which said insurance is written, showing the amount of said coverage, shall be delivered to the mortgagee named in this instrument. Now if the mortgagor shall fail for any reason to procure any such insurance, and to deliver said policies as aforesaid at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, the mortgagee may procure the same at mortgagor's expense; that the mortgagor will keep the buildings and improvements on said premises in good repair and will not commit or suffer any waste of said premises. In the event any personal property is part of the security for this mortgage, then at the request of the mortgagee, 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 same, in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the mortgagee.

Now, therefore, if said mortgagor shall keep and perform the covenants herein contained and shall pay all obligations secured by said first mortgage as well as the note secured hereby according to its terms, this conveyance shall be void, but otherwise shall remain in full force as a mortgage to secure the performance of all of said covenants and the payments of the note secured hereby; it being agreed that a failure to perform any covenant herein, or if a proceeding of any kind be taken to foreclose any lien on said premises or any part thereof, the mortgagee shall have the option to declare the whole amount unpaid on said note or on this mortgage at once due and payable, and this mortgage may be foreclosed at any time thereafter. And if the mortgagor shall fail to pay any taxes or charges or any lien, encumbrance or insurance premium as above provided for, or fail to do or perform anything required of him by said first mortgage, the mortgagee herein, at his option, shall have the right to make such payments and to do and perform the acts required of the mortgagor under said first mortgage; and any payment so made, together with the cost of such performance shall be added to and become a part of the debt secured by this mortgage, and shall bear interest at the same rate as the note secured hereby without waiver, however, of any right arising to the mortgagee for breach of covenant. And this mortgage may be foreclosed for principal, interest and all sums paid by the mortgagee at any time while the mortgagor neglects to repay any sums so paid by the mortgagee. In the event of any suit or action being instituted to foreclose this mortgage, the mortgagor agrees to pay all reasonable costs incurred by the mortgagee for title reports and title search, all statutory costs and disbursements and such further sum as the trial court may adjudge reasonable as plaintiff's attorney's fees in such suit or action; and if an appeal is taken from any judgment or decree entered therein, mortgagor further promises to pay such sum as the appellate court shall adjudge reasonable as plaintiff's attorney's fees on such appeal, all such sums to be secured by the lien of this mortgage and included in the decree of foreclosure.

Each and all of the covenants and agreements herein contained shall apply to and bind the heirs, executors, administrators and assigns of said mortgagor and of said mortgagee respectively.

In case suit or action is commenced to foreclose this mortgage, the Court may, upon motion of the mortgagee, appoint a receiver to collect the rents and profits arising out of said premises during the pendency of such foreclosure, and apply the same, after first deducting all of said receiver's proper charges and expenses, to the payment of the amount due under this mortgage.

In construing this mortgage, it is understood that the mortgagor or mortgagee may be more than one person; that if the context so requires, the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine and the neuter, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

IN WITNESS WHEREOF, said mortgagor has hereunto set his hand the day and year first above written.

*Roger C. Dawes*  
*Vicky J. Dawes*

\*IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable. If warranty (a) is applicable and if the mortgagee is a creditor, as such word is defined in the Truth-in-Lending Act and Regulation Z, the mortgagee MUST comply with the Act and Regulation by making required disclosures; for this purpose, use Stevens-Ness Form No. 1306 or similar.

# STATE OF OREGON,

County of Klamath ss.

BE IT REMEMBERED, That on this 9 day of April, 1981, before me, the undersigned, a notary public in and for said county and state, personally appeared the within named ROGER C. DAWES and VICKY J. DAWES, husband and wife

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

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

*Karen Rein*  
Notary Public for Oregon.  
My Commission expires 6-12-84

## SECOND MORTGAGE

(FORM No. 925)

STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

Roger C. Dawes and  
Vicky J. Dawes

TO

Athel D. Keely and  
Violet E. Keely

AFTER RECORDING RETURN TO

Richard C. Beesley  
220 Main St., Suite 2A  
Klamath Falls, OR 97601

## STATE OF OREGON,

County of Klamath ss.

I certify that the within instrument was received for record on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M., and recorded in book \_\_\_\_\_ on page \_\_\_\_\_ or as file/reel number \_\_\_\_\_

Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Title.

By \_\_\_\_\_ Deputy

EXHIBIT "A"PARCEL 1

A portion of the Northwest quarter of the Southwest quarter, Lot 3, of Section 7, Township 39 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon, described as follows:

Beginning at the intersection of the East line of the road running North and South along the West side of said Section 7 with the North line of the O.C. & E. Railway right of way; thence Southeasterly along the North line of right of way 330 feet; thence North 74 feet; thence Northwesterly parallel to said right of way 330 feet; thence Southerly along said East line of road 74 feet to the point of beginning.

PARCEL 2

All that portion of the Northwest quarter of the Southwest quarter, Lot 3 of Section 7, Township 39 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon, described as follows:

Beginning at the intersection of the East line of the road running North and South along the West side of said Section 7 with the North line of the right of way of the O.C. & E. Railway thence South-easterly along said North line of right of way, a distance of 330 feet to the true point of beginning of this description; thence continuing Southeasterly along said right of way line a distance of 330 feet more or less to the West line of the irrigation ditch running North and South, being also the Southeasterly corner of the property of E.E. McClay, et ux., as described in deed to said E.E. McClay recorded in Klamath County Deed Records, Book 69 at page 481 thereof; thence North 21°45' East along the Easterly line of property as described in said deed to an intersection with a line running parallel to said railroad right of way line and distant therefrom a distance of 71 feet measured at right angles to said right of way line; thence Northwesterly along said line parallel to said right of way line of the property line of R.C. Short as described in deed from Pacific Fruit and Produce Company recorded in said deed records at page 351 of Volume 138; thence South along said R.C. Short property line to the point of beginning.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of \_\_\_\_\_

this 13th day of April A.D. 1981 at 2:54 o'clock p.m., and  
duly recorded in Vol. M81, of      Mtg., on Page 6579

EVELYN BIEHN, County Clerk

By Debra A. Gansler