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UNITED STATES NATIONAL  
BANK OF OREGON

MTC-10139

**MORTGAGE**

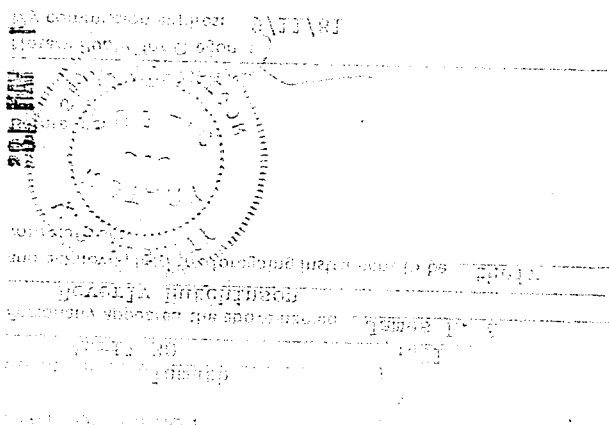
Vol. 181 Page 7781  
Date: April 30, 19 81  
Klamath Falls, OR, Oregon

Mortgagor ("Owner"): James E. Hutchinson  
Beverly J. Hutchinson  
Owner's Address: 4717 Gary St.  
Klamath Falls, OR 97601

Mortgagee ("Lender"):  
United States National Bank of Oregon  
Address: 3720 South Sixth St.  
Klamath Falls, OR 97601

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

Lot 20 of Villa St. Clair, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, Together with the Westerly 50 feet of Lot 19 of Villa St. Clair.



WA REMUNERATION OF NOTARY  
NOTARY Seal of the Oregon  
Notary Public  
I, the undersigned, do hereby certify that the foregoing is a true and correct copy of the original mortgage as recorded in my office.

2. This Mortgage secures the repayment of all amounts owed on a loan evidenced by a promissory note ("Note") signed by James E. & Beverly J. Hutchinson ("Borrower") which is payable to Lender. This Note is dated 4/30/81, the original Loan Amount is \$5062.00, and the last payment is due 5/1/88.

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 condition and repair. Unless Lender expressly waives the requirement in writing, Owner will insure the Property, by policies payable to Lender under Lender's loss payable 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, despite the effect of any co-insurance clause. Owner will provide Lender with proof of such insurance satisfactory 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 agreements 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 agreement 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 condition 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 receivership 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 existence.

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 portion of the Property, exercise the right to foreclose

7762

this Mortgage by judicial foreclosure in accordance with applicable law.

6.4 Lender may, by agent or by court-appointed receiver, 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.

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;

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.

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. 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):

*James E. Hutchinson*  
*Beverly J. Hutchinson*

INDIVIDUAL ACKNOWLEDGMENT

STATE OF OREGON )  
 ) ss.  
County of Klamath )  
April 30, 1981  
Personally appeared the above-named James E. & Beverly Hutchinson

and acknowledged the foregoing instrument to be their voluntary act.



Notary Public for Oregon  
My commission expires: 9/11/81

CORPORATE ACKNOWLEDGMENT

STATE OF OREGON )  
 ) ss.  
County of \_\_\_\_\_ )  
\_\_\_\_\_, 19\_\_\_\_

Personally appeared \_\_\_\_\_, and \_\_\_\_\_, who, being sworn, stated that \_\_\_\_\_, the said \_\_\_\_\_ is a \_\_\_\_\_ and \_\_\_\_\_, the said \_\_\_\_\_ is a \_\_\_\_\_ of Mortgage corporation and that the seal affixed hereto is its seal and that this Mortgage was voluntarily signed and sealed in behalf of the corporation by authority of its Board of Directors. Before me:

Notary Public for Oregon  
My commission expires:

MORTGAGE

United States National Bank of Oregon

Mortgagee

After recording return to:

*U.S. Natl. Bank*  
*3720 S. 6th*  
*K. Falls, OR.*  
*30000*

State of Oregon  
THIS SPACE FOR RECORDER'S USE

County of Klamath

Filed for record at request of

on this 1st day of May A.D. 19 81  
at 11:33 o'clock A M. and duly  
recorded in Vol. M81 of Mtg.  
Page 7761

EVELYN BEHN, County Clerk

By *Debra Quinn* Deputy

Fee \$7.00