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Vol. 8/ Page 14736

THIS MORTGAGE Made this 10th day of August 19 81
by William Porter Trustee of the Cropsey-Caldwell Trust No. 1 and
No. 2,
to Stanley M. Downs and C. Eloise Downs, husband and wife, Mortgagor,

WITNESSETH, That said mortgagor, in consideration of One Hundred Thirty-Nine Thousand One Hundred Fifty-Eight and 22/100ths Dollars, to him paid by said mortgagee, does hereby grant, 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:

PARCEL 1: Lots 13 and 14, Block 1, CHILOQUIN, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

PARCEL 2: Lots 15 through 18, less the South 6 feet of Lot 18, Block 1, CHILOQUIN, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.
Subject, however, to the following:
1. Taxes for 1981-82 are now a lien but not yet payable.
2. Any unpaid charges or assessments of the City of Chiloquin for municipal improvements.
3. Mortgage, including the terms and provisions thereof, executed by Stanley M. Downs and C. Eloise Downs, husband and wife, to First Federal Savings and Loan Association of Klamath Falls, a Federal Corporation, dated December 23, 1975, recorded December 24, 1975, in Volume M75, page 16140, Microfilm Records of Klamath County, Oregon, to secure the payment of \$25,000.00. (Affects Lots 15 and 16, Block 1) which Mortgagors herein assume and agree to pay the existing mortgage against the property, on which the current balance due is \$1,239.50 with interest paid to 8-1-81 to Klamath First Federal Savings and Loan Association. (for continuation of this mortgage see attached Exhibit "A" and by this reference incorporated herein)

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 a promissory note, of which the following is a substantial copy:

\$139,158.22 Klamath Falls, Oregon August 10 19 81
I (or if more than one maker) we, jointly and severally, promise to pay to the order of Stanley M. Downs and C. Eloise Downs, husband and wife,

One Hundred Thirty-Nine Thousand One Hundred Fifty-Eight and 22/100ths Dollars, at c/o Klamath First Federal Savings and Loan Association, 540 Main Street, Klamath Falls, Oregon.
with interest thereon at the rate of 10% per cent. per annum from August 10, 1981 until paid, interest payable in monthly installments of not less than \$ interest only in any one payment; each payment as made shall be applied first to accumulated interest and the balance to principal; the first payment to be made on the day of September 19 81, and a like payment on the day of each month thereafter until August 10 19 86, when the whole unpaid balance hereof, if any, shall become due and payable; if any of said

installments is not so paid, the whole sum of both 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 the reasonable attorney's fees and collection costs of the holder hereof, and if suit or action is filed hereon, also promise to pay (1) holder's reasonable attorney's fees to be fixed by the trial court and (2) if any appeal is taken from any decision of the trial court, such further sum as may be fixed by the appellate court, as the holder's reasonable attorney's fees in the appellate court.

Prepayment without penalty.
This notes secures a fourth mortgage
of even date.
This note is due in full August 10, 1986.
William Porter Trustee of the Cropsey-Caldwell Trust No. 1 and No. 2

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: August 10 19 86.

And said mortgagor covenants to and with the mortgagee, his heirs, executors, administrators and assigns, that he is lawfully seized in fee simple of said premises and has a valid, unencumbered title thereto EXCEPT prior mortgages to Klamath First Federal Savings and Loan Association set forth herein to which he will warrant and forever defend the same against all persons; that he will pay said note, principal and interest, according to the terms thereof; that while any part of said note 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 above described, when due and payable and before the same may 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, in a company or companies acceptable to the mortgagee, with loss payable first to the mortgagee and then to the mortgagor as their respective interests may appear; all policies of insurance shall be delivered to the mortgagee as soon as insured. Now if the mortgagor shall fail for any reason to procure any such insurance and to deliver said policies to the mortgagee 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 he will keep the buildings and improvements on said premises in good repair and will not commit or suffer any waste of said premises. 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.

The mortgagor warrants that the proceeds of the loan represented by the above described note and this mortgage are
 (a) primarily for mortgagee's personal, family, household or agricultural purposes (see Important Notice below),
 (b) for an organization or (even if mortgagor is a natural person) are for business or commercial purposes other than agricultural purposes.

Now, therefore, it said mortgagor shall keep and perform the covenants herein contained and shall pay said note 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 said covenants and the payment of said note; 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, the mortgagee may at his option do so, and any payment so made shall be added to and become a part of the debt secured by this mortgage, and shall bear interest at the same rate as said note 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 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.

William Porter - Trustee of the
 Cropsey-Caldwell Trust No. 1
 and No. 2.

***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, if this instrument is to be a FIRST lien to finance the purchase of a dwelling, use Stevens-Ness Form No. 1305 or equivalent; if this instrument is NOT to be a first lien, use Stevens-Ness Form No. 1306, or equivalent.

MORTGAGE

(FORM No. 105A)

TO

STATE OF OREGON,

County of

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 number

Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Title.

By

Deputy.

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

STATE OF CALIFORNIA

County of San Bernardino

BE IT REMEMBERED, That on this 13th day of August, 1981, before me, the undersigned, a notary public in and for said county and state, personally appeared the within named William Porter - Trustee of the Cropsey-Caldwell Trust No. 1 and No. 2,

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

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



OFFICIAL SEAL
 LINDA S. MOLINO
 NOTARY PUBLIC - CALIFORNIA
 PRINCIPAL OFFICE IN
 SAN BERNARDINO COUNTY
 My Commission Exp. Feb. 17, 1984

Notary Public for Oregon, California
 Commission expires

4. Mortgage, including the terms and provisions thereof, executed by Stanley M. Downs and C. Eloise Downs, husband and wife, to First Federal Savings and Loan Association of Klamath Falls, a Federal corporation, dated September 17, 1976, recorded September 17, 1976, in Volume M76, page 14580, Microfilm Records of Klamath County, Oregon, to secure the payment of \$29,100.00. (Affects Lots 15, 16 and 17, Block 1), which Mortgagors herein assume and agree to pay the existing mortgage against the property, on which the current balance due is \$48,848.02 with interest paid to 8-1-81 to Klamath First Federal Savings and Loan Association of Klamath Falls, a Federal corporation.

5. Right of Way Easement, including the terms and provisions thereof, given by Stanley M. Downs and C. Eloise Downs, husband and wife, to Pacific Power & Light Company, a corporation, dated January 14, 1977, recorded February 14, 1977, in Volume M77, page 2611, Microfilm Records of Klamath County, Oregon. (Affects Lots 13, 14, 15 and 16, Block 1).

6. Mortgage, including the terms and provisions thereof, executed by Stanley M. Downs and C. Eloise Downs, husband and wife, to Klamath First Federal Savings and Loan Association, a corporation, dated May 16, 1978, recorded May 18, 1978, in Volume M78, page 10431, Microfilm Records of Klamath County, Oregon, to secure the payment of \$80,000.00, which Mortgagors herein assume and agree to pay the existing mortgage against the property, on which the current balance due is \$75,954.26 with interest paid to 8-1-81 to Klamath First Federal Savings and Loan Association, a corporation. (Affects Lots 13 and 14, Block 1).

Mortgagors herein agree to hold Mortgagees harmless from the above mortgages.

7. Conditional Assignment of Rentals, including the terms and provisions thereof, by and between Stanley M. Downs and C. Eloise Downs, husband and wife, and Klamath First Federal Savings and Loan Association, a Federal corporation, dated May 16, 1978, recorded May 16, 1978, in Volume M78, page 10433, Microfilm Records of Klamath County, Oregon, relating to the mortgage shown above as Exception #6. (Affects Lots 13 and 14, Block 1).

Mortgagors herein expressly covenant and agree to pay or see to the payment of the said prior mortgages set forth herein, and to prevent any default thereunder, and further agree that should any default be made in the payment of any installment of principal and interest on the prior mortgages, and should any such installment of principal and interest remain unpaid and in arrears for a period of 30 days, or should any suit be commenced or other action taken to foreclose the prior mortgages, then the amount secured by this fourth mortgage shall become due and payable in full at any time thereafter, at the option of the holder of this fourth mortgage and the note secured thereby.

Any assumption of the within fourth mortgage other than between the parties herein without the express written consent of the Mortgagees herein shall be considered a breach thereof.

It is further agreed by and between Mortgagor and Mortgagee that in the event Mortgagor shall abandon the property, Mortgagee, in person, by agent or by judicially appointed receiver shall be entitled to enter upon, take possession of and manage the property and to collect the rents of the property including those past due. All rents collected by Mortgagee or the receiver shall be applied first to payment of the costs of management of the property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this mortgage. Mortgagee and the receiver shall be liable to account only for those rents actually received.

Mortgagor shall have no right to alter, renew, rearrange, modify or refinance any indebtedness evidenced by the mortgages without prior written approval of Mortgagees and in no event shall Mortgagors take any action or authorize any action to be taken which would have the effect of increasing the total amount of indebtedness for which the property is mortgaged or increase the rate of interest or the amount of the installments payable with regard to any such included indebtedness.

Mortgagor certifies that this fourth mortgage is accepted on the basis of Mortgagors' own examination and personal knowledge of the properties and

opinion as to the value thereof; that the only material representations and warranties inducing this transaction are those expressly set forth herein; that no agreement or promise to alter, repair, or improve said properties have been made by Mortgagees or any agent of Mortgagees; and Mortgagor hereby agrees to take said properties and the improvements thereon in the condition they are in at the time of execution of this fourth mortgage.

It is further agreed by and between the parties hereto that Mortgagor will furnish Mortgagee with proof of payment for taxes and fire insurance each year hereafter.

This sale also includes all of the equipment, furnishings, fixtures and inventory of the restaurant, a more particular description of said personal property having been marked Exhibit "B" and attached hereto and by this reference incorporated herein and made a part hereof.

SUBJECT TO: Personal property taxes for 1980-1981.

ALSO TOGETHER WITH the assumed business name "CHILOQUIN PLAZA".

CARRIAGE HOUSE RESTAURANT

Ice Machine
French Fryer
Ward's Freezer
19 foot Refrigerator
Pie Case
Hood
Electric Oven
Under Counter Refrigerator
24 inch Electric Broiler
36 inch Electric Griddle
Electric Ranges - 2
Three Steam Adapter Plates
36 inch Heat Lamp
Exhaust Fan and Mount. Kit.
Miscellaneous Utensils
Styles Dishes
Davis Antique Tables
Patty Machine
Banquet Furniture

Cash Register
Coke Machine
Stereo
Vacuum Cleaner (Rex App.)
Goodyear Stove #2
Drapes
Deep Fryer
Sears' Vacuum Cleaner
Sign
Miscellaneous Restaurant
Equipment
Wall to Wall Carpeting

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Klamath County Title Co.

this 18th day of August A. D. 19 81 at 3:30 o'clock P. M., and
duly recorded in Vol. M81, of Mortgages on Page 14736

By Bernetha J. Helock EVELYN BIEHN, County Clerk

Fee \$14.00