This instrument is given to secure the payment of a promissory note dated December 7, 1983 in the principal sum of \$ 155,000.00 and provide the providence of a providence of the principal sum of \$ 155,000.00 and providence of the in the hulf with and PERCY E. WHETSTONE, Secretary on behalf of P & E Trucking, Inc. Note calls for 84 monthly principal payments of \$1845.00 plus interest beginning Jan. 7,1984. This note matures on Dec. 7, 1990. Interest rate is variable, being 2.75% over Western Edition of Wall Street Journal prime and will be adjusted on a calendar quarter basis.

a. He will promptly pay the indebtedness avidenced by said processes? The mortgagor covenants that he is lawfully seized and possessed of and has the right to sell and convey said property; that the same is free from all encumbrances except as hereinabove recited; and that he hereby binds himself and his successors in interest to warrant and defend the title aforesaid thereto and every part thereof against the Small Business Administration [33 C.F.R. 101.1 (d) ], this instrument is to be constraind and this

Together with and including all buildings, all fixtures including but not limited to all plumbing, heating, lighting, ventilating, refrigerating, incinerating, air conditioning apparatus, and elevators (the mortgagor hereby declaring that it is intended that the items breein enumerated shall be deemed to have been permanently installed as part of the realty), and all improvements now or hereafter existing thereon; the hereditaments and appurtenances and all other rights thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, all rights of redemption, and the rents, issues, and profits of the above described property (provided, however, that the mortgagor shall be entitled to the possession of said property and to collect and retain the rents, issues, and profits until default hereunder). To have and to hold the same unto the mortgagee and the successors in interest of the mortgagee forever in fee simple or such other estate, if any, as is stated herein.

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obligated to do sot and such advances shall become part of the indebtedness secured by this instrument. fils justrament, mortrager hereby ägrees to permit mortgagen to enve such default, but mertgager is not fail re cure any default in the payment of a prior or interior ensurebrane, on the property described by acquired by it after the date hereof (all in form satisfactory to mortgagee). For the mortgage, additions, improvements, or belierments made in the property hereinshors, described and all property summants or meitne, he shall excente and deliver a supplymental mortgage or merigance environg any el. For bester security of the indebtedness hereby secured, upon the support of the other states as

or extension of the time of the payment of the indebtedness evidenced by said promissory note or say part «. The rights created by this conveyance shall remain in full force and effect during any postponenent subject to the same terms and conditions.

sectived or to the restoration or repair of the property damaged or destroyed. In event of the area to the part thereal, may be applied by mortgageo at its option either to the seduction of the loss incluses hereby loss directly to mortgagee instand of to mortgages and mortgages jointly, and the insurance pressed, or any nustrager and each insurance company concerned is hyreby authorized and directed to make payment for such immediate notice in writing to mortgages, and mortgages may make proof of loss if you made promptly it loss payable clauses in favor of and in form acceptable to the mortgages. In event of loss, montgager will give to merigegee and the policies and remeasule thereof shall be held by mortgages and have standed in the will pay promptly when due any premiums therefor. All insurance shall be covied to conspanse an equable mortgagee may from time to time require ou the improvement, now or hereafter on - id processly, and ). He will continuously maintain hazard insurance, of such type or types and in such arrounts as the thereof secured hereby.

g. He will keep all buildings and other improvements on said property in good repair and conditions purchaser or nortgagee or at the option of the mortgages, not be anti-mored for a cloud effle, title, and interest of the morigagor in and to any instrumer policies then it, force shall pass to the morigador in the mechanics and to succeed the second states of the mechanics and the second states of the sec nentgeges or other transfer of title to said property in extinguishment of the intellectory set and hereby, oh

Lot 14 in Block 11 of FOURTH ADDITION TO WINEMA GARDENS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon. Besenation measure and the county Clerk of the matter of the county descent of the mouthains and the county clerk of the matter of the county of the second of the county clerk of the mouthains and the county of the mouthains and the county clerk of the mouthains and the county of the mouthains and the county clerk of the mouthains and the county of the mouthains and the county clerk of the mouthains and the county of th if the event of fullove of the mortgagor to keep the buildings on said premises and these evented on said will permit, commit, or suffer no waste, impairment, deterioration of said property or any part discool.

3. He will not voluntarily create at purmit to be created against the projectly steps if the this motifiest way Lot 14 in Block 11 of FOURTH ADDITION TO WINEMA GARDENS, according to

mortgagee), who maintains an office and place of business at 5215 SOUTH SIXTH STREET is the o WITNESSETH, that for the consideration hereinafter stated, receipt of which is hereby acknowledged, the mortgagor does hereby mortgage, sell, grant, assign, and convey unto the mortgagee, his successors and assigns, all mortgagor does hereby mortgage, sell, grant, assign, and convey unto the mortgagee, his successors and assigns, a of the following described property situated and being in the County of the KLAMATH the start that the start and State of the REGN - 193 Add 1966 and montrial the first start the trade that the start of the start of

(hereinafter referred to as

(hereinafter referred to as mortgagor) and goprat SOUTH VALLEY STATE BANK the grave source to the instrument of the instruments for the source soid notes and the basis of the source of the business support to the providence one noteph assigned and support to here as the source of the (hereinafter) en angerging

, by and between the PERCY E. WHETSTONE and ELECTRA L WHETSTONE, HUSBAND AND WIFE

hereby shall terminate the mortgagor's cipit to presention, use, and or jointer of the second states and second seco This mortgage made and entered into this 7 th of the day of December 19 83

conts an 31210 is instrument shall operat WLC 13062 tor the independence shall be and the MORIGAGE Vol. 183 Page moeters of the souther did being agreed that the **Guidelington** there are a sold activity of the south sold of the distribution of the south sold of the sold of t

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mortgagee or his assigns (it being agreed that the mortgagor shall have such right until default). Upon any such default, the mortgagee shall become the owner of all of the rents and profits accruing after default as security for the indebtedness secured hereby with the right to enter mon (said property for the purpose of collecting anche for the indebtedness secured hereby, with the right to enter upon said property for the purpose of collecting such rents and profits. This instrument shall operate as an assignment of any rentals on said property to that extent.

k. The mortgagee shall have the right to inspect the mortgaged premises at any reasonable time. 2. Default in any of the covenants or conditions of this instrument or of the note or loan agreement secured hereby shall terminate the mortgagor's right to possession, use, and enjoyment of the property, at the option of the

same to payment of the installments last due under said note, and mortgagee is hereby authorized, in the name of the mortgagor, to execute and deliver valid acquittances thereof and to appeal from any such award.

J. All awards of damages in connection with any condemnation for public use of or injury to any of the property subject to this mortgage are hereby assigned and shall be paid to mortgagee, who may apply the

for the consideration hereinsiter stated, coreipt of which is nervice i. He will not rent or assign any part of the rent of said mortgaged property or demolish, or remove, or substantially alter any building without the written consent of the mortgagee. 湖北北京

h. He will not voluntarily create or permit to be created against the property subject to this mortgage any lien or liens inferior or superior to the lien of this mortgage without the written consent of the mortgagee; and further, that he will keep and maintain the same free from the claim of all persons supplying labor or materials for construction of any and all buildings or improvements now being erected or to be erected on

g. He will keep all buildings and other improvements on said property in good repair and condition; will permit, commit, or suffer no waste, impairment, deterioration of said property or any part thereof; in the event of failure of the mortgagor to keep the buildings on said premises and those erected on said premises, or improvements thereon, in good repair, the mortgagee may make such repairs as in its discretion it may deem necessary for the proper preservation thereof; and the full amount of each and every such payment shall be immediately due and payable; and shall be secured by the lien of this mortgage.

f. He will continuously maintain hazard insurance, of such type or types and in such amounts as the mortgagee may from time to time require on the improvements now or hereafter on said property, and will pay promptly when due any premiums therefor. All insurance shall be carried in companies acceptable to mortgagee and the policies and renewals thereof shall be held by mortgagee and have attached thereto loss payable clauses in favor of and in form acceptable to the mortgagee. In event of loss, mortgagor will give immediate notice in writing to mortgagee, and mortgagee may make proof of loss if not made promptly by mortgagor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to mortgagee instead of to mortgagor and mortgagee jointly, and the insurance proceeds, or any part thereof, may be applied by mortgagee at its option either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged or destroyed. In event of foreclosure of this mortgage, or other transfer of title to said property in extinguishment of the indebtedness secured hereby, all right, title, and interest of the mortgagor in and to any insurance policies then in force shall pass to the purchaser or mortgagee or, at the option of the mortgagee, may be surrendered for a refund.

e. The rights created by this conveyance shall remain in full force and effect during any postponement or extension of the time of the payment of the indebtedness evidenced by said promissory note or any part

d. For better security of the indebtedness hereby secured, upon the request of the mortgagee, its successors or assigns, he shall execute and deliver a supplemental mortgage or mortgages covering any additions, improvements, or betterments made to the property hereinabove described and all property acquired by it after the date hereof (all in form satisfactory to mortgagee). Furthermore, should mortgagor fail to cure any default in the payment of a prior or inferior encumbrance on the property described by this instrument, mortgagor hereby agrees to permit mortgagee to cure such default, but mortgagee is not obligated to do so; and such advances shall become part of the indebtedness secured by this instrument,

c. He will pay such expenses and fees as may be incurred in the protection and maintenance of said property, including the fees of any attorney employed by the mortgagee for the collection of any or all of the indebtedness hereby secured, or foreclosure by mortgagee's sale, or court proceedings, or in any other litigation or proceeding affecting said property. Attorneys' fees reasonably incurred in any other way shall be

b. He will pay all taxes, assessments, water rates, and other governmental or municipal charges, fines, or impositions, for which provision has not been made hereinbefore, and will promptly deliver the official receipts therefor to the said mortgagee, and and the transfer and the anto p <sup>ag</sup> ar te<sup>a</sup>

base 1. The mortgagor covenants and agrees as follows: a. He will promptly pay the indebtedness evidenced by said promissory note at the times and in the manner therein provided. It and the second distance 247 92 Materia acres

his successive in interest of warrant and defend the title alcounty flaced

(2-73) PREVIOUS EDITIONS ARE OBSOLETE

Said promissory note was given to secure a loan in which the Small Business Administration, an agency of the United States of America, has participated. In compliance with section 101.1(d) of the Rules and Regulations of the Small Business Administration [13 C.F.R. 101.1(d)], this instrument is to be construed and enforced in accordance with applicable Federal law

Calcular quarter basis. 3.75 over Western Edition of Wall Street Journal prime rate and will be adjusted on the the lean balace due on maturity of December 7, 1990. Interest tets is variable. calls for 83 monthly payacuts of \$1845,00 Fallpar month beginning January SCREEKE and PERCY E. WHETSTORE, Secretary on Dehalf of



3. The mortgagor covenants and agrees that if he shall fail to pay said indebtedness or any part thereof when due, or shall fail to perform any covenant or agreement of this instrument or the promissory note secured hereby, the entire indebtedness hereby secured shall immediately become due, payable, and collectible without notice, at the option of the mortgagee or assigns, regardless of maturity, and the mortgagee or his assigns may before or after entry sell said property without appraisement (the mortgagor having waived and assigned to the mortgagee all rights of

(1) at judicial sale pursuant to the provisions of 28 U.S.C. 2001 (a); or

appraisement):

(11) at the option of the mortgagee, either by auction or by solicitation of sealed bids, for the highest and best bid complying with the terms of sale and manner of payment specified in the published notice of sale, first giving four weeks' notice of the time, terms, and place of such sale, by advertisement not less than once during each of said four weeks in a newspaper published or distributed in the county in which said property is situated, all other notice being hereby waived by the mortgagor (and said mortgagee, or any person on behalf of said mortgagee, may bid with the unpaid indebtedness evidenced by said note). Said sale shall be held at or on the property to be sold or at the Federal, county, or city courthouse for the county in which the property is located. The mortgagee is hereby authorized to execute for and on behalf of the mortgagor and to deliver to the purchaser at such sale a sufficient conveyance of said property, which conveyance shall contain recitals as to the happening of the default upon which the execution of the power of sale-herein granted depends; and the said mortgagor hereby constitutes and appoints the mortgagee or any agent or attorney of the mortgagee, the agent and attorney in fact of said mortgagor to make such recitals and to execute said conveyance and hereby covenants and agrees that the recitals so made shall be effectual to bar all equity or right of redemption, homestead, dower, and all other exemptions of the mortgagor, all of which are hereby

expressly waived and conveyed to the mortgagee; or Coouth of Klaudif )

(III) take any other appropriate action pursuant to state or Federal statute either in state or Federal (III) take any other appropriation of the property. COMMISSION CENTRAL

In the event of a sale as hereinbefore provided, the mortgagor or any persons in possession under the mortgagor shall then become and be tenants holding over and shall forthwith deliver possession to the purchaser at such sale or be summarily dispossessed, in accordance with the provisions of law applicable to tenants holding over. The power and agency hereby granted are coupled with an interest and are irrevocable by death or otherwise, and are granted as cumulative to the remedies for collection of said indebtedness provided by law.

4. The proceeds of any sale of said property in accordance with the preceding paragraphs shall be applied first to pay the costs and expenses of said sale, the expenses incurred by the mortgagee for the purpose of protecting or maintaining said property, and reasonable attorneys' fees; secondly, to pay the indebtedness secured hereby; and thirdly,

to pay any surplus or excess to the person or persons legally entitled thereto. 5. In the event said property is sold at a judicial foreclosure sale or pursuant to the power of sale hereinabove

granted, and the proceeds are not sufficient to pay the total indebtedness secured by this instrument and evidenced by said promissory note, the mortgagee will be entitled to a deficiency judgment for the amount of the deficiency without regard to appraisement.

6. In the event the mortgagor fails to pay any Federal, state, or local tax assessment, income tax or other tax lien, charge, fee, or other expense charged against the property the mortgagee is hereby authorized at his option to pay the same. Any sums so paid by the mortgagee shall be added to and become a part of the principal amount of the indebtedness evidenced by said note, subject to the same terms and conditions. If the mortgagor shall pay and discharge the indebtedness evidenced by said promissory note, and shall pay such sums and shall discharge all taxes and liens and the costs, fees, and expenses of making, enforcing, and executing this mortgage, then this mortgage

•hall be canceled and surrendered. 7. The covenants herein contained shall bind and the benefits and advantages shall inure to the respective successors and assigns of the parties hereto. Whenever used, the singular number shall include the plural, the plural the

singular, and the use of any gender shall include all genders.

8. No waiver of any covenant herein or of the obligation secured hereby shall at any time thereafter be held to be a waiver of the terms hereof or of the note secured hereby.

9. A judicial decree, order, or judgment holding any provision or portion of this instrument invalid or unenforceable shall not in any way impair or preclude the enforcement of the remaining provisions or portions of this

instrument.

10. Any written notice to be issued to the mortgagor pursuant to the provisions of this instrument shall be adinstrument as of the day and year aforesaid. and any written notice to be issued to the mortgagee shall

dressed to the mortgagor at

be addressed to the mortgagee at

ESCHART : Ching without and and more than the most id property wishout apprachment (the mortgagar al the mortgame of the astigments b e indebtedness hereige scenzed shall immediately be n of the metigage. Se assigns, regardless of majority a instrument or the promission note a during alda, and collections and it shall fail to perform any covenant or agreement o Statl to pay sold inclusiones in any The bustinger corenants and agrees that if here

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and the the material and sources of the the mortes gues or vield of volomption, homestead, dower, and all other filed to stock of the brocks, of staff of which are how by mortgagee, the agent and afformer in fact of said, mortgager to make such recitate and to execute sold conveyance and hereby covenents and agree- that the coefficients an invite shall be effectual to bar all equily or definite to the prochases at such sale a sufficient convergence of  $M_{1} = M_{1} = M_{2}$ , oclock  $M_{2} = M_{1}$ , we default upon which the second of the sale mortgagor hereby constitutes an outpression of the sale mortgagor hereby constitutes and thereby constitutes and the sal o clock M, and duly 1 property is beated. The mortgages is hereby authorized ecoded in Aol" W83 an sol Mortgages and the field at or on the property to be told or at the Pederal Lagonty, og1515urthmese for the county in which the benefit of said mortgages, may bid with the unpaid indebicidue EAETAN BIEHN. County Clerk's person on tail at up on the provident to the said said shall be is situated, all other notice being neroby writed by the marg during cach of said four weeks in a newspaper, published or **Binter and the Deputy** in Deputy and property is structured, all other notice bound hereby enjoy by the marganese tond and an analysis and the said property and (ii) at the option of the mostgagee, either b anetion or by solicitation of scaled hide for the drive t and bust bid complying with the terms of sele and market of payment specified in the pullished is a feel fir-giving iour weeks notice of the time, terms, and place 16a,000 sale, by advertisement not less than ince woulde fisal, fire

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Decemper 4 1983 saces to the person or persons bigally ontibed therete. Personally appeared the above named PERCY E WHETSTONE and ELECTRA L'WHETSTONE and acknowledged the totelooing instrument to pe their voluntary and angled the process of any sale of said promotes in accordance with the precessing paragraphs shall be applied first and acknowledged the totelooing instrument to pe their voluntary act and deed time or main-

repard to approvement. granted, and the proceeds args of cullicient to pay the total indebtedness secured by this instrument and evidenced by **STATE** COEs OBECON: the mortgages will be entitled to a deficiency judgment for the anount of the deficiency without CONNLA robekrawath? property is sold at a judicial foreclosure sale or pursuant to the power of sale licroinabove

taxes and liens and the costs, fees, and expenses of making, enforcing, and excerting this morigage, then this morigage discharge the indebicdness evidenced by said promissory note, and shall pay such sums and shall discharge all indelitedness evidenced by sold note, endiert in the same terms and conditions. If the mortgagor shall pay and pay the same. Any sume so paid by the mortgages shall be added to and bacene a part of the principal ansunt of the lien, charge, fee, or other expense charged ogainst the property the mortgages is hereby authorized at his option to A in the event the machiner folls to not any federal, state, or local inv assessment, income tax or effect inv

## Executed and delivered in the presence of the following witnesses:

singular, and the use of any gender shall include all genders. cossors and assigns of the parties hereto. Whenever used, the singular number shall include the plural, the plural the 7. The covenants herein contained shall bind and the benefits and advantages shall inure to the respective suc-

to be a waiver of the terms hereof or of the note secured h the time thereafter b. 8. No writter of any concurat hereig or of the obligation sELECLEV. ThMHELSLONE,

mattentent forecable shull not in any way impair or preclude the end 9. 3 judicial dorrae, order, or judgment holding any H

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dressed to the mortgagor at IN WITNESS WHEREOF, the mortgagor has executed this instrument and the mortgagee has accepted delivery of this instrument as of the day and year aforesaid.

be addressed to the mortgages at

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21220 and any written notice to be issued to the motigagee shall