

THIS MORTGAGE, Made this 23rd day of January, 1985, by Steven A. Zamsky, an estate in fee simple to SOUTH VALLEY STATE BANK hereinafter called Mortgagor,

WITNESSETH, That said mortgagor, in consideration of Thirty Six Thousand and No/100 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:

A parcel of land situated in the Northeast Quarter of Section 27, Township 46 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon, being more particularly described as follows:

Beginning at a 5/8 inch iron pin marking the Northeast corner of the NE 1/4 of said Section 27; thence South 00° 33' 36" West, along the East line of the said NE 1/4 of said Section 27 1302.64 feet, more or less to the Northerly right of way line of Hill Road, a county road; thence Northwesterly along the Northerly right of way line of said Hill Road 1200 feet more or less to a 5" iron pin at the intersection of said right of way line with a fence running Northeast; thence along said fence and the Northeasterly projection thereof North 42° 12' 33" East 562.46 feet to a 4" iron pin set in the center of a dirt road; thence leaving said fence line North 35° 05' 31" East 352.34 feet to a point on the North line of said Section 27, said point being marked by a 5" iron pin; thence North 38° 58' 17" East along the said North line of said Section 27 420.07 feet to the point of beginning.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, 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 certain promissory note, described as follows:  
Note dated January 23, 1985 in the amount of \$36,000.00

This document is 1 of 3 Security Agreements or documents providing collateral securing a \$36,000.00 note of this date.

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: January 22, 1990.

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

(a) for an organization or (even if mortgagor is a natural person) are for business or commercial purposes other than agricultural purposes. 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.

and 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 may be hereafter erected on the premises insured in favor of the mortgagee against loss or damage by fire, with extended coverage, in the sum of \$36,000.00.

have all policies of insurance and property made payable to the mortgagee as his interest may appear and will deliver all policies of insurance on said premises to the mortgagee as soon as insured; that he will keep the building and improvements on said premises in good repair and will not commit or suffer any waste of said premises. Now, therefore, if 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 of said covenants and the payment of said note; it being agreed that a failure to perform any covenant herein, or if proceedings of any kind be taken to foreclose on any lien on said premises or any part thereof, the mortgagee shall have the option to declare the whole amount unpaid on said note and 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 of any lien, encumbrances 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 any covenants as paid by the mortgagee.

In the event of any suit or action being instituted to foreclose this mortgage, the losing party in such suit or action agrees to pay all reasonable costs incurred by the prevailing party therein for title reports and title search, all statutory costs and disbursements and such further sum as the trial court may adjudge reasonable as the prevailing party's attorney's fees in such suit or action, and if an appeal is taken from any judgment or decree entered therein the losing party further promises to pay such sum as the appellate court shall adjudge reasonable as the prevailing party's attorney's fees on such appeal, all such sums to be included in the court's decree. 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 first deducting all proper charges and expenses attending the execution of said trust, as the court may direct in its judgment or decree.

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.

\*IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable, the mortgagee MUST comply with the Truth-in-Lending Act and Regulation Z by making required disclosures; for this purpose, if this instrument is to be a FIRST lien to finance the purchase of a dwelling, use S-N Form No. 1305 or equivalent; if this instrument is NOT to be a first lien, use S-N Form No. 1305, or equivalent.

STATE OF OREGON, County of Klamath, ss:

Personally appeared the above named

Steven A. Zamsky

January 23

1984

DEBRA G. MATTHEWS

and acknowledged the foregoing instrument to be his

voluntary act and deed.

NOTARY PUBLIC - OREGON

Before me:

My commission expires: 1-30-88

Notary Public for Oregon

MORTGAGE

STATE OF OREGON

County of

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 number Record of Mortgages of said County. Witness my hand and seal of County affixed.

(DON'T USE THIS SPACE, RESERVED FOR RECORDING LABEL IN COUNTIES WHERE USED.)

TO

AFTER RECORDING RETURN TO

South Valley State Bank  
5215 S. 6th St.  
Klamath Falls, OR 97603

Title Deputy

**ZAMSKY, Steven A**  
Rt. 1 - Box 6657 WA  
Klamath Falls, OR 97603

**BORROWER'S NAME AND ADDRESS**  
"I" includes each borrower above, jointly and severally.

**SOUTH VALLEY STATE BANK**  
5215 S. 6th St.  
Klamath Falls, OR 97603

**LENDER'S NAME AND ADDRESS**  
"You" means the lender, its successors and assigns.

Loan Number **300001 1341**  
Date **1-23** 19 **85**  
Maturity Date **1-22** 19 **90**  
Loan Amount \$ **36,000.00**  
Renewal Of

I promise to pay to you, or your order, at your address listed above the  
PRINCIPAL sum of **Thirty Six Thousand and No/100** Dollars \$ **36,000.00**  
☒ **Single Advance:** I have received all of this principal sum. No additional advances are contemplated under this note.  
☐ **Multiple Advance:** The principal sum shown above is the maximum amount of principal I can borrow under this note. As of today I have received the amount of \$ \_\_\_\_\_ and future principal advances are contemplated.  
Conditions: The conditions for future advances are \_\_\_\_\_

☐ **Open End Credit:** You and I agree that I may borrow up to the maximum amount of principal more than one time. This feature is subject to all other conditions and expires no later than \_\_\_\_\_ 19 \_\_\_\_\_.  
☐ **Closed End Credit:** You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions).

PURPOSE: The purpose of this loan is **Refinance debts, consolidation**  
INTEREST: I agree to pay interest on the principal balance(s) owing from time to time as stated in this section.  
☐ **Fixed Rate:** I agree to pay interest at the fixed, simple rate of \_\_\_\_\_ % per year.  
☒ **Variable Rate:** I agree to pay interest at the initial simple rate of **13.5** % per year. This rate may change as stated below.  
☒ **Index Rate:** The future rate will be **3% above** the following index rate: **SOUTH VALLEY STATE BANK PRIME RATE AS SET PERIODICALLY BY THE BOARD OF DIRECTORS**

☐ **No Index:** The future rate will not be subject to any internal or external index. It will be entirely in your control.  
☒ **Frequency and Timing:** The rate on this note may increase as often as **daily**  
An increase in the index will take effect **on the date of change**  
☐ **Limitations:** The rate on this note will not at any time (and no matter what happens to any index rate used) go above or below these limits:  
☐ **Maximum Rate:** The rate will not go above \_\_\_\_\_  
☐ **Minimum Rate:** The rate will not go below \_\_\_\_\_

Post Maturity Rate: I agree to pay interest on the principal owing after maturity, and until paid in full, as stated below:  
☐ on the same fixed or variable rate basis in effect before maturity (as indicated above).  
☒ at a rate equal to **24%**

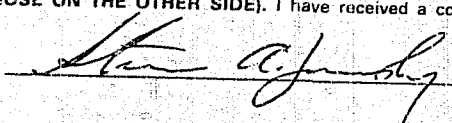
☒ **ADDITIONAL CHARGES:** In addition to interest, I ☐ have paid ☒ agree to pay the following additional charges **Loan Fee: \$720.00**  
**Late Charges: 3% of payment or \$10.00, whichever is greater, Recording Fees: \$9.00**

**PAYMENTS:** I agree to pay this note as follows:  
☐ **Interest:** I agree to pay accrued interest \_\_\_\_\_  
☐ **Principal:** I agree to pay the principal \_\_\_\_\_  
☒ **Installments:** I agree to pay this note in **\*60** payments. The first payment will be in the amount of \$ **475.00** and will be due **2-22** 19 **85**. A payment of \$ **475.00** will be due on the **22nd** day of each **month** thereafter. The final payment of the entire unpaid balance of principal and interest will be due **\*1-22 1990**. \*An estimated balloon payment of **\$30,522.54** will be due on **1-22-90**.  
☐ The amount of each scheduled payment will be increased.  
☐ The amount of the final payment will be increased.  
☒ **The number of scheduled payments will increase.**

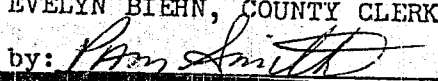
This instrument is being recorded as an accommodation only and has not been examined as to validity, sufficiency or effect it may have upon the herein described property. This courtesy recording has been requested of **ASPEN TITLE & ESCROW, INC.**

**ADDITIONAL TERMS:**

☒ **SECURITY:** This note is secured by **Security Agreements dated 1-23-85 covering vehicle, boat and trailer Mortgage dated 1-23-85 Assignment of Escrow**  
☐ If checked, no agreement was signed today securing this note.  
(This section is for your internal use. It may not include every agreement or item of collateral securing this note. You will not lose any security by omitting it from this section.)

**SIGNATURES:** I AGREE TO THE TERMS OF THIS NOTE (INCLUDING THOSE ON THE OTHER SIDE). I have received a copy on today's date.  


STATE OF OREGON: COUNTY OF KLAMATH:ss  
I hereby certify that the within instrument was received and filed for record on the **24th** day of **January** A.D., 19**85** at **10:46** o'clock **A** M, and duly recorded in Vol **M85**, of **Mortgages** on page **1340**.

EVELYN BIEHN, COUNTY CLERK  
by: , Deputy

Fee: \$ **9.00**