

MTC-1396-588

Vol. 17732 Page 17732

54984

THIS MORTGAGE, Made this 21st day of October, 1985

by Harold D. Howard and Margaret Howard, as tenants by the entirety

to South Valley State Bank hereinafter called Mortgagor,

hereinafter called Mortgagee,
 WITNESSETH, That said mortgagor, in consideration of Twenty-one thousand five hundred
 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 prop-
 erty situated in Klamath County, State of Oregon, bounded and described as follows, to-wit:

Lots 7 and 8, Block 10, Ewauna Heights, in the City of Klamath Falls, in the
 County of Klamath, State of Oregon.

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE SIDE)

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 certain promissory note, described as follows:

Note dated October 21, 1985 in the amount of \$21,500.00 with right of renewals and
 future advances.

(See reverse side for copy of note)

(See Exhibit A Signed copy of note)

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:
 October 20, 1989.

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

(a) primarily for mortgagor's personal, family, household or agricultural purposes (see Important Notice below),

(b) for an organization or person 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 the premises insured in favor of the mortgagee against loss or damage by fire, with extended coverage,
 in the sum of \$ 21,500.00

in a company or companies acceptable to the mortgagee, and will
 have all policies of insurance on said 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 pay-
 ment of said note; if 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 prem-
 ises 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 insur-
 ance 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 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, adminis-
 trators 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,
 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 re-
 quired 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

X *Harold D. Howard*
 X *Margaret Howard*

STATE OF OREGON, County of

Personally appeared the above named

DEBRA S. MATTHEWS

NOTARY PUBLIC - OREGON

Harold D. Howard and Margaret Howard

Before me: *Debra S. Matthews* their voluntary act and deed.

My commission expires: 1-30-88

MORTGAGE

21,500.00

(DON'T USE THIS
 SPACE; RESERVED
 FOR RECORDING
 LABEL IN COUN-
 TIES WHERE
 USED.)

STATE OF OREGON,
 County of } SS.

I certify that the within instru-
 ment was received for record on the
 day of , 19 ,
 at o'clock M., and recorded
 in book/reel/volume No. on
 page. or as document/fee/file/
 instrument/microfilm No.
 Record of Mortgages of said County.

Witness my hand and seal of
 County affixed.

NAME TITLE
 By Deputy

AFTER RECORDING RETURN TO

South Valley State Bank
P.O. Box 5210
KFO 97601

Howard, Harold D.
Howard, Margaret
139 Jefferson
Klamath Falls, Oregon 97601
Borrower's Name and Address
"I" includes each borrower above, jointly and severally.

SOUTH VALLEY STATE BANK
5215 SOUTH SIXTH STREET
KLAMATH FALLS, OREGON 97601
Lender's Name and Address
"You" means the lender, its successors and assigns.

17733
Loan Number
Date October 21, 1985
Maturity Date October 20, 1989
Loan Amount \$ 21,500.00
Renewal Of 201281L

I promise to pay to you, or your order, at your address listed above the
PRINCIPAL sum of Twenty-one thousand five hundred and no/100 Dollars \$ 21,500.00

- ☒ 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 _____

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 12.500 % per year. This rate may change as stated below.
☒ Index Rate: The future rate will be 3.00% above the following index rate: SOUTH VALLEY STATE BANK PRIME RATE AS SET PERIODICALLY BY THE BOARD OF DIRECTORS. THE BANK WILL NOT NOTIFY YOU OF ANY CHANGE IN PRIME RATE.

☐ 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 SAME DAY AS 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 24.0 APR

☒ ADDITIONAL CHARGES: In addition to interest, I ☐ have paid ☒ agree to pay the following additional charges LOAN FEE: \$210.00
☒ LATE CHARGES: 3% of payment due or \$10.00, whichever is greater

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 \$ 275.00 and will be due November 20, 19 85. A payment of \$ 275.00 will be due on the 20th day of each month thereafter. The final payment of the entire unpaid balance of principal and interest will be due October 20, 19 89.

☒ Effect of Variable Rate: An increase in the interest rate will have the following effect on the payments:
☐ The amount of each scheduled payment will be increased.
☒ The amount of the final payment will be increased.
☐

ADDITIONAL TERMS:

☐ SECURITY: This note is secured by: Mortgage dated 10/21/85 on house.

☐ 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.

EXHIBIT A

Howard, Harold D.
Howard, Margaret
139 Jefferson
Klamath Falls, Oregon 97601
BORROWER'S NAME AND ADDRESS
"I" includes each borrower above, jointly and severally.

SOUTH VALLEY STATE BANK
5215 SOUTH SIXTH STREET
KLAMATH FALLS, OREGON 97601

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

17734
Loan Number 300063L
Date October 21, 1985
Maturity Date October 20, 1989
Loan Amount \$ 21,500.00
Renewal Of 201281L

I promise to pay to you, or your order, at your address listed above the

PRINCIPAL sum of Twenty-one thousand five hundred and no/100----- Dollars \$ 21,500.00-----

☒ 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 RENEWAL AND TAX MONEY

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 12.500 % per year. This rate may change as stated below.

☒ Index Rate: The future rate will be 3.00% above the following index rate: SOUTH VALLEY STATE BANK PRIME RATE AS SET PERIODICALLY BY THE BOARD OF DIRECTORS. THE BANK WILL NOT NOTIFY YOU OF ANY CHANGE IN PRIME RATE.

☐ 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 SAME DAY AS 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 24.0 APR

☒ ADDITIONAL CHARGES: In addition to interest, I ☐ have paid ☒ agree to pay the following additional charges LOAN FEE: \$210.00
LATE CHARGES: 3% of payment due or \$10.00, whichever is greater

PAYMENTS: I agree to pay this note as follows:

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☒ Effect of Variable Rate: An increase in the interest rate will have the following effect on the payments:

☐ The amount of each scheduled payment will be increased.

☒ The amount of the final payment will be increased.

☐ _____

ADDITIONAL TERMS:

☐ SECURITY: This note is secured by: Mortgage dated 10/21/85 on house..

☐ 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

Margaret Howard
Harold Howard

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the 31st day of October A.D., 19 85 at 3:44 o'clock P. M., and duly recorded in Vol. 17732 of Mortgages on Page 1

FEE \$13.00

Evelyn Biehn,
By _____

County Clerk

Phm Smith