

THIS MORTGAGE, Made this 29TH day of JANUARY, 19 86, by ROBERT W. EDGAR AND BETTE J. EDGAR, AS TENANTS BY THE ENTIRETY, hereinafter called Mortgagor, to SOUTH VALLEY STATE BANK, hereinafter called Mortgagee,

WITNESSETH, That said mortgagor, in consideration of TWENTY-SIX THOUSAND AND NO/100----- WITH RIGHT OF RENEWALS AND FUTURE ADVANCES 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:

LOT 12 AND THAT PORTION OF PEACH STREET ADJACENT ON SAID LOT, IN BLOCK 8, ELDORADO ADDITION TO 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: DATED JANUARY 29, 1986 IN THE AMOUNT OF \$26,000.00 EXECUTED BY ROBERT W. EDGAR AND BETTE J. EDGAR. SEE COPY OF NOTE ON REVERSE SIDE.

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 20, 19 91.

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) ~~not 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 \$26,000.00. 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, 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 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 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, 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, 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. 1306 or equivalent.

Robert W. Edgar
Bette J. Edgar

STATE OF OREGON, County of KLAMATH, ss: JANUARY 29, 19 86. Personally appeared the above named ROBERT W. EDGAR AND BETTE J. EDGAR and acknowledged the foregoing instrument to be THEIR voluntary act and deed. Before me: Lynda K. Ogden, Notary Public for Oregon. My commission expires: 9/12/89.

(NOTARIAL SEAL)

MORTGAGE

26,000.00 TO SOUTH VALLEY STATE BANK P. O. BOX 5210 KLAMATH FALLS, OREGON 97601 AFTER RECORDING RETURN TO SOUTH VALLEY STATE BANK P. O. BOX 5210 KLAMATH FALLS, OREGON 97601

(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 instrument 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

8801

1949

BORROWER'S NAME AND ADDRESS
EDGAR, ROBERT W. JR.
EDGAR, BETTY J.
126 PEACH STREET
KLAMATH FALLS, OR 97601

LENDER'S NAME AND ADDRESS
SOUTH VALLEY STATE BANK
KLAMATH FALLS, OREGON 97601

Loan Number 200774 201901RE
Date JANUARY 29 1986
Maturity Date JANUARY 20 1991
Loan Amount \$ 26,000.00
Renewal Of 200774

Note: I promise to pay to you, or your order, at your address above, the principal sum of:
TWENTY SIX THOUSAND AND NO/100 Dollars \$ 26,000.00

plus interest from day at the initial rate of 12.5 % per year, which is subject to change as follows:
base 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.
The interest rate on this note may change (as often as) daily (assuming there is a change in the base rate) and
an increase in the interest rate will cause an increase in amount of final payment (assuming there is a change in the base rate) and
I will pay this amount as follows: (a) ☐ on demand (b) ☐ on demand, but if no demand is made, on daily (c) ☐ on daily
If (a), (b), or (c) is checked above, I will pay accrued interest ☐ I also agree to pay a loan charge of \$ 260.00
(d) ☒ 59 PAYMENTS OF 296.10 BEGINNING 2-20-86 AND ON THE 20TH DAY OF EACH MONTH THEREAFTER
THERE WILL BE AN APPROXIMATE BALLOON OF \$24,275.00 DUE AT MATURITY.

LATE CHARGE: ☐ If checked, I will pay a late charge on any payment made after it is due equal to 5% of the amount of the payment, or \$5.00, whichever is less.
☐ If checked, I also agree to pay a minimum interest charge of \$ 5 if I pay this loan off before you have earned that much in interest.

POST-MATURITY INTEREST: Interest will accrue after maturity on the unpaid balance of this note on the same basis as interest accrues prior to maturity, unless a specific post-maturity interest rate is agreed to in the next sentence.
☒ If checked, interest will accrue at the rate of 24 % per year on the balance of this note not paid at maturity, including maturity by acceleration.

LIMITATIONS: The Truth-in-Lending disclosure box below will indicate if there is any contractual limit on the periodic or total increase in the interest rate for this note.

THE PURPOSE OF THIS LOAN IS: REFINANCE JUNIOR R.E. LIENS.

ANNUAL PERCENTAGE RATE		FINANCE CHARGE		AMOUNT FINANCED		TOTAL OF PAYMENTS	
The cost of my credit as a yearly rate		The dollar amount the credit will cost me		The amount of credit provided to me or on my behalf		The amount I will have paid when I have made all scheduled payments	
<u>13.01</u>		<u>16,005.82</u>		<u>\$ 25,740.00</u>		<u>\$ 41,745.82</u>	

My Payment Schedule will be:
Number of Payments 59
Amount of Payments \$296.10
When Payments Are Due 2-20-86 AND ON THE 20TH DAY OF EACH MONTH THEREAFTER.
I have the right to receive at this time an itemization of the Amount Financed:
☒ YES - I want an itemization
☐ NO - I do not want an itemization
"a" means an estimate
Filing Fees \$
Non-filing Insurance \$

Variable Rate: The annual percentage rate may increase during the term of this transaction if:
☐ This note is payable on demand and all disclosures are based on an assumed maturity of one year.
☒ South Valley State Bank Prime Rate increases
Any increase will take the form of amount of final payment
If the rate increases by 1.0 % in one year the interest cost
The rate may not increase more often than once a day and may not increase more than n/a % each day will increase to 17,536.78
The rate will not go above n/a %

Security: I am giving a security interest in:
☐ the goods or property being purchased.
☐ collateral securing other loans with you may also secure this loan.
☒ my deposit accounts and other rights to the payment of money from you.

Late Charge: ☒ If a payment is late (paid after it is due) I will be charged 5% of the amount of the payment, or \$5.00, whichever is less.
Prepayment: If I pay off this loan early, I ☐ may ☒ will not have to pay a penalty.

I can see my contract documents for any additional information about nonpayment, default, any required repayment before the scheduled date, and prepayment refunds and penalties.

Type	Premium	Term	Signatures (or Initials)	Itemization of Amount Financed
Credit Life			I want credit life insurance <input checked="" type="checkbox"/>	Amount given to me directly <u>\$10,518.33</u> (a)
Credit Disability			I want credit disability insurance <input checked="" type="checkbox"/>	Amount paid on my account <u>200774</u> <u>\$15,481.67</u> (b)
Joint Credit Life			I want joint credit life insurance <input checked="" type="checkbox"/>	Amounts paid to others on my behalf:
				To Property Insurance Company \$ (c)
				To Credit Life Insurance Company \$ (d)
				To Disability Insurance Company \$ (e)
				To Public Officials \$ (f)
				Prepaid Finance Charge \$ <u>260.00</u> (g)
				AMOUNT FINANCED (a through g - h) <u>\$25,740.00</u> (h)
				Finance Charge (include prepaid) <u>\$16,005.82</u> (i)
				Total of Payments (i + j) <u>\$41,745.82</u> (j)

I do not want: ☒ Credit Life Ins.; ☒ Credit Disability Ins.; ☒ Joint Credit Life Ins.

Property Insurance: I may obtain property insurance from anyone I want that is acceptable to you. If I get the insurance from or through you I will pay \$ for of coverage.

Security - To secure the payment of the note total (defined on the reverse side):
(1) I acknowledge and agree that you have the right to set-off this note against any obligation you have (now or hereafter) to pay money to me.
(2) You may collect the proceeds (or rebates of unearned premiums) on any insurance policy insuring me (where you are named as loss payee) and on any policy insuring the property securing this note. You will apply this toward what I owe you.

(3) ☐ If checked, this note is not further secured by any contemporaneous agreement (except for (1) and (2) of this section).

(4) ☒ If checked, this note is secured by a separate MORTGAGE dated JAN. 29, 1986
(This property should be described in the Truth-in-Lending disclosure above.)

(5) ☐ Security Agreement - If checked, I give you a security interest in the property described below. The rights I am giving you in this property, and the obligations this agreement secures are defined on the reverse side of this form.

If checked, this security agreement (if filed) should be filed in the real estate records.
Legal Description: LOT 12, BLOCK 8 (& PORTION OF VACATED PEACH ST.) ELDERADO ADDITION TO THE CITY OF KLAMATH FALLS, OREGON
Record Owner (if not me): KLAMATH FALLS, OREGON
Signatures: Any person who signs within this enclosure does so to give you a security interest in the property described above, but assumes no personal obligation to pay this note.
Name X Date
I agree to the terms of the note and security agreement above, including those on the other side of this form and acknowledge receipt of at least one copy on the date of this agreement.
Signature Robert W. Edgar
Signature Betty J. Edgar
Signature

VARIABLE INTEREST NOTE, DISCLOSURE, AND SECURITY AGREEMENT.
©1981 BANKERS SYSTEMS, INC. ST. CLOUD, MN 56301 FORM NDS-VI-OR 4/4/83

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of January A.D. 19 86 at 3:57 o'clock P M., and duly recorded in Vol. M86 day 31st of January 1986 on Page 1948

FEE \$9.00

Evelyn Blehn
By Bernetha A. Hellock County Clerk

KLAMATH FALLS, OREGON