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HENRIS ROUPLING & SUPPLY OF KLAMATH COUNTY. INC.

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heaters, fuel storage receptacles; plumbing, ventilating, water, and irrigating systems; screens, doors; window shades and blinds, freezers, dishwashers; and all other fixtures now or hereafter installed in or on the premises; and any shrubbery, flora or timber now abutters; cabinets, built ins. linoleums and floor coverings, built in stoyes, ovens, garbage disposals, air conditions, refrigerators, growing or hereafter planted or growing thereon; and any and all replacements of any one or more of the foregoing items in whole growing or hereafter planted or growing the reou; and any and all replacements of any one or more of the foregoing items, in whole growing or hereafter planted or growing thereon; and any and all replacements of any one or more of the foregoing items, in whole mortgaged property.

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and real property that it is the absolute owner of all items of property described hereinabove, that the said property is free from The Mortgagor does hereby covenant to and with the Mortgagee that the Mortgagor is lawfully seized in fee simple of the all persons whomsoever, that it is the absolute owner of all items of property described hereinabove; that the said property is free from the same against the lawful claims and demands of encumprances of every and all services to the recommendation of the control of th

in the state of the coverants and agreements herein contained, to be and interact shared in by the Mortgagor kept and performed and to secure the payment of the sum of \$ 40,000,00 dated

by the Mortgagor kept and performed and to secure the payment of the sum of \$ 40,000.00 and interest thereon in accordance with the tenor of a certain promiseory note executed by Henris Roofing & Supply of Klamath County. Inc. sach including interest on the old the day of each month commencing payable to the order of the Mortgagee in installments of not less than \$ 550.00

19.86 seed until the February 10 the pure manufacture of the balance then remaining inpaid shall be paid.

This Mortgage is also given as security for the payment of any and all other indebtednesses, obligations or liabilities of the matured or contingent and wherever payable. This Mortgage is also given as security for the payment of any and all other indebtednesses, obligations or liabilities of the including hut not limited to such as may arise from endorsements quarantees accentances bills of exchange promissory notes or Mortgager: to the Mortgagee now existing or hereafter arising, matured or to mature, absolute or contingent and wherever payable, other paper discounted by the Mortgagee or held by the Mortgagee, or taken as security for any loans or advances of any kind sort or including but not limited to such as may arise from endorsements, guarantees, acceptances, bills of exchange, promissory notes, or description whatsoever.

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nereny secured swith interest as prescribed by said note; and will) as the Mortgagee may from time to time require, in one or more pay, when due, all other sums secured hereby, and all taxes, diens; p insurance; companies satisfactory to or designated, by the amount of of each installment of principal and interest, such amount as Mortgagee shall estimate to be sufficient to produce, at least one month prior to the time when payment thereof shall become due, the amount of (a) taxes, assessments and other governmental rates and charges against said premises (herein all called "taxes") and (b) premiums upon insurance against loss or damage to said and (b) premiums upon insurance against loss or damage to said premises (said amounts being referred to hereinafter as down trust funds). If the sums so paid shall be less than sufficient for said purposes, Mortgagee will also pay, upon demand, such additional sum as Mortgagee shall deem necessary therefor alle Mortgagor desires a "package" plan of insurance which includes coverage in addition to that required under this mortgage, Mortgagee may, at its option, establish and administer a reserve for that purpose. If the package plan reserve is not sufficient to pay the renewal premium on a package plan policy then Mortgagee may use such reserve to pay premiums on a policy covering only risks required to be insured against under this mortgage and allow the package plan policy to lapse. Mortgagee. shall, upon the written direction of Mortgagor, and may, without such direction, apply sums paid by Mortgagor and held by Mortgagee to the purposes aforesaid; but the receipt of such sums shall not, in the absence of such direction, impose any duty upon Mortgagee to disburse the same or relieve Mortgagor from its covenants to pay said obligations or to keep the premises insured. Mortgagee may, from time to time, establish reasonable service charges for the collection and disbursement of premiums on package-type insurance policies. Mortgagee shall not, whether or not service charges are imposed, be subject to any liability for failure to transmit any premiums to any insurer or by reason of any loss growing out of any defect in any insurance policy. At Mortgagee's option, Mortgagee may apply all loan trust funds directly to the payment of the principal balance then unpaid on the indebtednesses secured hereby; if Mortgagee elects so to do, Mortgagee is authorized to pay taxes, insurance premiums on the mortgaged property and all other charges which would otherwise be payable from the loan trust funds, when the same become due and payable, and Mortgagee may then add the amount of any such payment to the principal balance then unpaid on the indebtednesses secured hereby, each such payment to bear interest as provided in the promissory note mentioned herein-

That Mortgagor will not commit or permit strip or waste of the said premises, or any part thereof; that Mortgagor will keep the real and personal property hereinabove described in good order and repair and in tenantable condition; that Mortgagor will promptly comply with any and all municipal and governmental rules and regulations with reference thereto; that Mortgagor will not cut or permit the cutting or removal of any timber without the written consent of Mortgagee, that if any of timeer without the written consent of mortgagee, that if any of the said property be damaged or destroyed by any cause. Mortgagor will immediately reconstruct or repair the same so that, when completed, it shall be worth not less than the value thereof at the time of such loss or damage, provided, that if such loss or damage shall be caused by a hazard covered by insurance payable to Mortgagee, the obligation of the Mortgagor to repair or reconstruct shall not arise unless the Mortgagee shall consent to the application of the insurance proceeds to the expense of to the application of repair and acceptance keep the result of the resul

insured against loss by fire and against loss by such other hazands. Mortgagee in an aggregate amount not less than the amount of the indebtedness hereby secured (unless the full insurable value of such building or buildings is less than the amount hereby secured. in which event the Mortgagor shall insure to the amount of the full insurable value); that all policies of insurance upon said premises, including policies in excess of the amount hereinabove mentioned and policies against other hazards than those required, shall contain such provisions as the Mortgagee shall require and shall provide, in such form as the Mortgagee may prescribe, that loss shall be payable to the Mortgagee; that all such policies and receipts showing full payment of premiums therefor shall be delivered to and retained by the Mortgagee during the existence of this mortgage; that at least 5 days prior to the expiration of any policy or policies it will deliver to the Mortgagee satisfactory renewals thereof together with premium receipts in full; that if any policy or policies shall impose any condition upon the liability of the insurer or shall contain any "average clause" or other provision by which the insurer may be liable for less than the full amount of the loss sustained, it will, as often as the Mortgagee may require, provide the Mortgagee with all such evidence as it may request concerning the performance of such condition or the existence of any facts or the value of the property insured and, if it shall appear to the Mortgagee that the insurance is prejudiced by the acts or omissions of the Mortgagor or that the coverage is inadequate, the Mortgagor will do such acts and things and obtain such further insurance as the Mortgagee may require; that the Mortgagee may, at its option, require the proceeds of any insurance policies upon the said premises to be applied to the payment of the indebtedness hereby secured or to be used for the repair or reconstruction of

4. That it will execute or procure such further assurance of its title to the said property as may be requested by the Mortgagee.

5. That in case the Mortgagor shall fail, neglect or refuse to do or perform any of the acts or things herein required to be done or performed, the Mortgagee may, at its option, but without any obligation on its part so to do, and without waiver of such default, procure any insurance, pay any taxes or liens or utility charges, make any repair, or do any other of the things required, and any expenses so incurred and any sums so paid shall bear interest at 8% per annum, or at the rate of interest set forth in the note mentioned above, whichever is greater, and shall be secured hereby.

6. That it will not, without the prior written consent of Mortgagee, transfer its interest in said premises or any part thereof, whether or not the transferee assumes or agrees to pay the indebtedness hereby secured. Upon any application for Mortgagee's consent to such a transfer, Mortgagee may require from the transferee such information as would normally be required if the transferce were a new loan applicant. Mortgagee shall not unreasonably withhold its consent. As a condition of its consent to any transfer, Mortgagee may, in its discretion, impose a service charge not exceeding one percent of the original amount of the indebtedness hereby secured and may increase the interest rate on the indebtedness hereby secured by not more than one

3. That it will, at its own cost and expense, keep the mortgage the Mortgagee may, at its option, without notice, and foreclose this mortgage due and payable and foreclose this mortgage due and payable 7. That, if any default be made in the payment of the principal or interest of the indebtednesses hereby secured or in

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That in the event of the institution of any suit or action to foreclose this mortgage, the Mortgagor will pay such sum as the trial court and any appellate court may adjudge reasonable as attorney's fees in connection therewith and such further sums as the Mortgagee shall have paid or incurred for costs and disburse. ments in such suit or action, extensions of abstracts or title searches or examination fees in connection therewith, whether or not final judgment or decree therein be entered and all such sums are secured hereby and shall bear interest from the date paid or incurred by Mortgagee or from the date of judgment, whichever occurs first, at the rate set forth in the promissory note mentioned above; that in any such suit, the court may, upon application of the plaintiff and without regard to the condition the property or the adequacy of the security for this indebtedness hereby secured and without notice to the Mortgagor or any one else, appoint a receiver to take possession and care of all said mortgaged property and collect and receive any or all of the rents, issues and profits which had theretofore arisen or accrued or which may arise or accrue during the pendency of such suit; that any amount so received shall be applied toward the payment of the debt secured hereby, after first paying therefrom the charges and expenses of such receivership; but until a breach or default by the Mortgagor in one or more of its covenants or agreements herein contained, it may remain in possession of the mortgaged property and retain all rents actually paid to and received by him prior to such default.

9. The word "Mortgagor", and the language of this instru-

ment shall, where there is more than one mortgagor, be constru as plural and be binding jointly and severally upon all mortgagos and the word "Mortgagee" shall apply to any holder of this mortgage. Masculine pronouns include feminine and neuter. All of the covenants of the Mortgagor shall be binding upon its heirs, executors, administrators, successors and assigns and inure to the benefit of the successors and assigns of the Mortgagee. In the event of any transfer of the property herein described or any part thereof or any interest therein, whether voluntary or involuntary or by operation of law, the Mortgagee may, without notice to the Mortgagor or any one else, once or often, extend the time of payment or grant renewals of indebtedness hereby secured for any term, execute releases or partial releases from the lien of this mortgage or in any other respect modify the terms hereof without thereby affecting the personal primary liability of the Mortgagor for the payment of the indebtedness hereby secured. No condition of this mortgage shall be deemed. waived unless the same be expressly waived in writing by the Mortgagee. Whenever any notice, demand, or request is required by the terms hereof or by any law now in existence or hereafter enacted, such notice, demand or request shall be sufficient if personally served on one or more of the persons who shall at the time hold record title to the property herein described or if enclosed in a postpaid envelope addressed to one or more of such persons or to the Mortgagor at the last address actually furnished to the Mortgagee or at the mortgaged premises and

IN WITNESS WHEREOF, the Mortgagor, pursuant to resolution of its Board of Directors duly and regularly adopted has a page and its cornerate seal if any to be affixed hereto the caused these presents to be executed on its behalf by its duly authorized officers and its corporate seal, if any, to be affixed hereto the HENRIS ROOFING & SUPPLY OF KLAMATH COUNTY, (Corporate Seal) STATE OF OREGON County of KLAMATH January 31 A. D. 1986 Personally appeared James R. Baker and Barbara Baker and Jack Baker who being duly sworn, did say that they are President and Secretary County, Inc. respectively of Henris Roofing & Supply of Klamath and that she seal affixed to the foregoing instrument, if any, is the corporate seal of said corporation and that said instrument was and that sine pear and corporation by authority of its board of directors and signed in pensil.

sacknowledged said instrument to be its voluntary act and deed. . Western Bank P.O. Box 669 Klamath Falls, OR 97601 My Commission Expires STATE OF OREGON: COUNTY OF KLAMATH: Filed for record at request of February A.D., 19 86 at Mortgages o'clock FEE \$13.00 M., and duly recorded in Vol. on Page 2166 Evelya Bieha By Servetho