

MC 15702

Vol. 112 Page 2973

THIS MORTGAGE, Made this 14TH day of JANUARY 1986, by KENNETH E. BRIGHAM AND MARTHA CHARLENE BRIGHAM, AS TENANTS BY THE ENTIRETY, to SOUTH VALLEY STATE BANK hereinafter called Mortgagor,

WITNESSETH, That said mortgagor, in consideration of SIXTY THOUSAND EIGHT HUNDRED SIXTY-NINE AND 28/100 WITH RIGHT OF RENEWALS AND FUTURE ADVANCES hereinafter called Mortgagee, 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:

See Exhibit A attached hereto and made a part hereof:

(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 JANUARY 14, 1986, IN THE AMOUNT OF 60,869.28, SIXTY THOUSAND EIGHT HUNDRED SIXTY-NINE AND 28/100, EXECUTED BY KENNETH E. BRIGHAM AND CHARLENE BRIGHAM, HUSBAND AND WIFE WITH RIGHT OF RENEWALS AND FUTURE ADVANCES. THIS MORTGAGE IS ONE OF TWO DOCUMENTS SECURING THIS NOTE DATED JANUARY 14, 1986.

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: FEBRUARY 6, 1991.
The mortgagor warrants that the proceeds of the loan represented by the above described note and this mortgage are:
(a) ~~primarily for the purchase of real estate~~ for business or commercial purposes (see Important Notice below);
(b) 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 \$ _____ 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 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 and this mortgage, 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 No. 1306, or equivalent. If this instrument is NOT to be a first lien, use S-N Form No. 1306, or equivalent.

STATE OF OREGON, County of Klamath

Personally appeared the above named Kenneth E. Brigham and Martha Charlene Brigham, January 14, 1986, and acknowledged the foregoing instrument to be their voluntary act and deed.

(NOTARIAL SEAL)

Before me: *Signatures* Notary Public for Oregon
My commission expires: 9/12/89

MORTGAGE

TO

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

AFTER RECORDING RETURN TO

South Valley State Bank
5215 South Sixth Street
Klamath Falls, Oregon 97603

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.

By _____ NAME _____ TITLE _____ Deputy

BRIGHAM, KENNETH E. BRIGHAM, CHARLENE P.O. BOX 775 LAKEVIEW, CALIFORNIA 92040 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.	Loan Number 201910L Date JANUARY 14 , 19 86 Maturity Date FEBRUARY 6 , 19 91 Loan Amount \$ 60,869.28 Renewal Of 200820 AND 201328
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I promise to pay to you, or your order, at your address listed above the

PRINCIPAL sum of **SIXTY THOUSAND EIGHT HUNDRED SIXTY-NINE AND 28/100-----** Dollars **\$60,869.28**

☒ **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 **RESTRUCTURE OF TWO LOANS**

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 **4.0% 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 when prime rate changes.**

☐ **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 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 **24.0% APR**

☒ **ADDITIONAL CHARGES:** In addition to interest, I ☐ have paid ☒ agree to pay the following additional charges **LOAN FEES: \$615.00**

LATE CHARGES: **3% OF PAYMENT 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 \$ **1,405.00** and will be due **MARCH 6**, 19 **86**. A payment of \$ **1,405.00** will be due on the **6TH** day of each **MONTH** thereafter. The final payment of the entire unpaid balance of principal and interest will be due **FEBRUARY 6**, 19 **91**.

☒ **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: **SECURITY AGREEMENT AND MORTGAGE DATED JANUARY 14, 1986.**

☐ 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.

Kenneth E. Brigham

Charlene Brigham

EXHIBIT "A" DESCRIPTION

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The SE $\frac{1}{2}$ SW $\frac{1}{2}$, SW $\frac{1}{2}$ SE $\frac{1}{2}$, NW $\frac{1}{2}$ NW $\frac{1}{2}$ NW $\frac{1}{2}$ SE $\frac{1}{2}$, W $\frac{1}{2}$ W $\frac{1}{2}$ SW $\frac{1}{2}$ NW $\frac{1}{2}$ SE $\frac{1}{2}$ and W $\frac{1}{2}$ SW $\frac{1}{2}$ NW $\frac{1}{2}$ NW $\frac{1}{2}$ EXCEPTING THEREFROM any portion lying within the boundaries of the No. 1 Drain, Section 20, Township 39 South, Range 9 East of the Willamette Meridian. ALSO EXCEPTING THEREFROM the E $\frac{1}{2}$ of SW $\frac{1}{2}$ of SE $\frac{1}{2}$ thereof.

ALSO EXCEPTING THEREFROM a parcel of land situated in the SE $\frac{1}{2}$ of the SW $\frac{1}{2}$ of Section 20, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, being more particularly described as follows:

Beginning at a 5/8" iron rod on the South line of said Section 20, said point being south 89°40'08" West along said South line a distance of 686.13 feet from the $\frac{1}{2}$ corner common to Sections 20 and 29; thence continuing South 89°40'08" West a distance of 631.84 feet to a 5/8" iron rod at the West 1/16 corner common to Sections 20 and 29; thence North 00°10'04" East, along the West line of the SE $\frac{1}{2}$ of the SW $\frac{1}{2}$ of Section 20, a distance of 1380.10 feet to the SW 1/16 corner of Section 20; thence North 89°52'56" East along the North line of the SE $\frac{1}{2}$ of the SW $\frac{1}{2}$ of Section 20, a distance of 631.82 feet to a 5/8" iron rod; thence South 00°10'04" West a distance of 1377.75 feet to the point of beginning.

EXCEPTING THEREFROM that portion lying within the Miller Island Road right of way.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the _____ day
of February A.D., 19 86 at 1:50 o'clock P M., and duly recorded in Vol. M86
of _____ Mortgages _____ on Page 2973

FEE \$12.00

Evelyn Biehn
By Bernetha D. Letch County Clerk

____ Initial

____ Initial