

OK
THIS MORTGAGE Made this 19TH day of OCTOBER, 1987,
by HOWARD ALLAN MATTHEWS, an estate in fee simple
aka ALLAN MATTHEWS hereinafter called Mortgagor,
to SOUTH VALLEY STATE BANK hereinafter called Mortgagee,

WITNESSETH, That said mortgagor, in consideration of THIRTY FIVE THOUSAND SIX HUNDRED FIFTY 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:

SEE ATTACHED EXHIBIT "A"

(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 19, 1987 TO HOWARD ALLAN MATTHEWS IN THE AMOUNT OF \$35,650.00 WITH MATURITY OF OCTOBER 15, 1989.

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 15, 1989.

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

for an organization of bona fide individuals (a natural person) for business or commercial 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 \$..... FULL AMOUNT.

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 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 mortgagee 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 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 use S-N Form No. 1319, or equivalent.

STATE OF OREGON,

County of KLAMATH

SS:

This instrument was acknowledged before me on OCTOBER 19, 1987,

HOWARD ALLAN MATTHEWS aka ALLAN MATTHEWS

HOWARD ALLAN MATTHEWS
aka ALLAN MATTHEWS

Notary Public for Oregon
My commission expires 9/12/89

MORTGAGE

HOWARD ALLAN MATTHEWS

TO

SOUTH VALLEY STATE BANK

AFTER RECORDING RETURN TO

SOUTH VALLEY STATE BANK
5215 SOUTH SIXTH STREET
KLAMATH FALLS, OR 97603

(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 fee/file/instrument/microfilm/reception No. _____, Record of Mortgage of said County.

Witness my hand and seal of County affixed.

NAME TITLE
By _____ Deputy

HOWARD ALLAN MATTHEWS
OCTOBER 19, 1987

EXHIBIT "A"

18981

PARCEL 1:

Lot 2, LESS THE Northeasterly 10 feet; and the Northeasterly 17.9 feet of Lot 3, Block 13, FIRST ADDITION TO THE CITY OF KALMATH FALLS, in the County of Klamath, State of Oregon.

PARCEL 2:

All that part of Lots 1, 7 and 8, Block 56, NICHOLS ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon, described as follows:

Beginning at a point on the Westerly line of 10th Street 80 feet Northwest of the most Easterly corner of said Lot 1 of said Block; thence Northwesterly along Westerly line of 10th Street 60 feet; thence Southwesterly at right angles to 10th Street 130 feet; thence Southeasterly parallel with 10th Street 20 feet; thence Northeasterly at right angles to 10th Street 65 feet; thence Southeasterly parallel with 10th Street 40 feet; thence Northeasterly at right angles to 10th Street 65 feet to the point of beginning; being the Northwesterly 40 feet of Lot 1 and the Southeasterly 20 feet of Lots 7 and 8, Block 56, NICHOLS ADDITION TO THE CITY OF KLAMATH FALLS, EXCEPTING THEREFROM the following described tract:

Beginning at a point on the Northeasterly line of Lot 8 of Block 56 of NICHOLS ADDITION TO THE CITY OF KLAMATH FALLS, which point lies 100 feet Southeasterly from the most Northerly corner of Lot 8; thence Southwesterly parallel with Lincoln Street a distance of 44 feet and 9 inches; thence Southeasterly parallel with 10th Street a distance of 9 inches; thence Northeasterly parallel with Lincoln Street a distance of 44 feet 9 inches, more or less, to the Northeasterly line of Lot 8; thence Northwesterly along said line of Lot 8 a distance of 9 inches to the point of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Company
of October A.D. 19 87 at 11:24 o'clock A M., and duly recorded in Vol. M87
of Mortgages on Page 18980

FEE \$10.00

Evelyn Biehn,

County Clerk

By Ram Smith