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## <u>mortgage</u> Aspl.: 32231

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DEST O

(Individual, Partnership, Corporation)

	WITNESSETH:
fc	For value received by the Mortgagor from the Mortgagee, the Mortgagor does hereby grant, bargain, mortgage and convey unto the Mortgagee all the illowing described property, situated in <u>Klamath</u> County, Oregon, to wit:
	Lot 8, Block 13, Tract No. 1005, FOURTH ADDITION TO CYPRESS VILLA, in the County of Klamath, State of Oregon
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	together with the tenements, hereditaments and appurtenances now or hereafter thereunto belonging or in anywise appertaining, including but relimited to roads and easements used in connection with the premises; also, all fixtures, buildings and parts of buildings situated upon said propert including but not limited to electric wiring and fixtures; furnace and heating system, water heaters, fuel storage receptacles; plumbing, ventilating water and irrigating systems; screens, doors; window shades and blinds, shutters; cabinets, built-ins, linoleums and floor coverings, built-in stown ovens, garbage disposals, air conditioners, refrigerators, freezers, dishwashers; and all other fixtures now or hereafter installed in or on the premise and any shrubbery, flora or timber now growing or hereafter planted or growing thereon; and any and all replacements of any one or more of the foregoing items, in whole or in part, all of which are hereby declared to be appurtenant to the land; and all the rents, issues and profits arising from the mortgaged property.  TO HAVE AND TO HOLD the same unto the Mortgagee, its successors and assigns forever.
	The Mortgagor does hereby covenant to and with the Mortgagee that the Mortgagor is lawfully seized in fee simple of the said real property that he the absolute owner of all items of property described hereinabove, that the said property is free from encumbrances of every kind and nature, of than the following permitted encumbrance(s):  except that mortgage of record to State of Oregon.
	and that he will warrant and forever defend the same against the lawful claims and demands of all persons whomsoever.
	This conveyance is intended as a mortgage to secure performance of the covenants and agreements herein contained, to be by the Mortgagor kept a performed and to secure the payment of the sum of \$15,848.72 and interest thereon in accordance with the tenor of a certain promissory nexecuted by Melvin O. and Eileen M. Brooke
	dated May 20 , 19.88 , payable to the order of the Mortgagee in installments of not less than \$ 342.50 e

The interest rate, payment terms and balance due under the promissory note or any other note(s), or any other agreement evidencing any indebtedness of Mortgagor to Western Bank (all of which are secured hereby) may be indexed, adjusted, renewed or renegotiated in accordance with the

terms of the promissory note(s) or other agreement.

The Mortgagor does hereby covenant and agree to and with the Mortgagee, its successors and assigns:

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1. That Mortgagor will pay, when due, the indebtedness hereby secured, with interest as prescribed by said promissory note, and will pay, when due, all other sums secured hereby, and all taxes, liens and utility charges upon said premises, or for services furnished thereto. In addition thereto, Mortgagor will pay, at the time of payment 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 premises (said amounts being referred to hereinafter as "loan 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. If 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 his 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. Mortgageshall 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 below.

2. 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 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 such reconstruction or repair.

3. That Mortgagor will, at Mortgagor's own cost and expense, keep the building or buildings now or hereafter upon said premises, together with all personal property covered by the lien hereof, insured against loss by fire and against loss by such other hazards as the Mortgagee may from time to time require, in one or more insurance companies satisfactory to or

designated by the 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 Mortgagor 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. Mortgagor 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 the property damaged or destroyed.

- 4. Mortgagor will pay when due all amounts which are or may become a lien upon the property prior to this mortgage, including, without limitation, any permitted encumbrance set forth above.
- 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, pay any amounts due under any lien or encumbrance which are or may become a lien on the property prior to this mortgage, or do any other of the things required, and any expenses so incurred any any sums so paid shall bear interest at 12% 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 Mortgagor will not, without the prior written consent of Mortgagee, transfer his 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 transferee 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 five percent per annum.
- 7. That, if any default be made in the payment of the principal or interest of the indebtednesses hereby secured or in the performance of any of the covenants or agreements of this mortgage, the Mortgagee may, at its option, without notice, declare the entire sum secured by this mortgage due and payable and foreclose this mortgage.

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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 appenate court may aujuuge reasonaoie as attorney s tees in connection therewith and such further sums as the Mortgagee shall have paid or incurred for costs and disbursements 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 whether or not must judgment or decree therein be entered and all such sums are secured hereby and shall bear interest from the date paid or sums are secured hereby and shall bear interest from the date of judgment, whichever occurs incurred by Mortgagee or from the date of judgment, whichever occurs incurred by Marrigages 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 of the property or the adequacy of the security for regard to the condition of the property or the adequacy of the Security for this indebtedness hereby secured and without notice to the Mortgagor of this indepteuness hereby secured and without notice to the mortgagor of any one else, appoint a receiver to take possession and care of all said any one case, appoint a receiver to take possession and care or an 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 and proms which had therefolore arisen or actrued 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 paying ineceiron the charges and expenses or such receiversing, our unit a breach or default by the Mortgagor in one or more of his covenants or a preach or default by the Mortgagor in one or more of his covenants of agreements herein contained, Mortgagor may remain in possession of the mortgaged property and retain all rents actually paid to and received by

where there is more than one mortgagor, be construed as plural and be where there is more than one moregagor, be construed as planta and obtaining jointly and severally upon all mortgagors and the word "Mortgagee" shall apply to any holder of this mortgage. Masculine pronouns include feminine and neuter. Subject to the limitations in this mortgage on transfer of the property by Mortgagor, all of the covenants of mortgage on transfer of the property by mortgagor, an of the covenants of the Mortgagor shall be binding upon his 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 or any part thereof or any interest therein, whether voluntary or involuntary any part increot or any interest increm, 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 mortgagor or any one cisc, once or onen, extend the time of payment of grant renewals of indebtedness hereby secured for any term, execute gram renewms or macuteaness mercuy secured any term, execute releases or partial releases from the lien of this mort gage or in any other releases or partial releases from the nen of this mortgage or in any other respect modify the terms hereof without thereby affecting the personal respect mount the terms necessive minour thereby affecting the personal primary liability of the Mortgagor for the payment of the indebtedness primary mainty of the mortgagur for the payment of the moestedness hereby secured. No condistion of this mortgage shall be deemed waived mercuy secured. To concision 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 by any law now in existence of increases character character and increases and increases of the 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 Mortgages or at the mortgaged premises and deposited inany post

ortgagur prior to such declauit.

9. The word "Mortgagor", and the language of this instrument shall. office. Mortgagor prior to such default. The state of the s ayibis Mesasia 44 Carlos Control (San 111 9-53 9-1 (M.12) American Confession 250 241 15 (250 5.50) The second second

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IN WITNESS WHEREOF, the Mortgagor has executed this Mortgage on the date set forth above, and if Mortgagor is a corporation. Mortgagor covenants that this Mortgage is executed pursuant to a duly adopted resolution of its Board of Directors.

ndividuals & Partnerships	Corporation
Melvin O. Brooks  Cileen M. Brooks	(Name of Corporation) by
	(Name and Title (type) by
	(Name and Title (type)
INDIVIDUAL(S) ACKNOWLEDGEMENT	
STATE OF OREGON	
This instrument was acknowledged before me on May 20, 1988 Brooks	(name of person(s) ).
	Carolino W Mashael  Notary Public for Oregon My Commission Expires: 2-9-90
CORPORATE ACKNOWLEDGEMENT	My Commission Expires:
STATE OF OREGON  County of	
	(date) by
a Corporation.	(title(s)) of
A CAMBELLE PROPERTY OF THE CAMBELLE PROPERTY O	Notary Public for Oregon My Commission Expires:
PARTNERSHIP ACKNOWLEDGEMENT STATE OF OREGON	
County of  The county of the c	Eval one is be value of a large of the control of t
This instrument was acknowledged before me on	(date) by
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Return to: Western Bank P. 0. Box 669 N127X Rev 9-87 Klamath Falls, OR 97601	Notary Public for Oregon My Commission Expires
STATE OF OREGON: COUNTY OF KLAMATH: Ss.	
Filed for record at request of	the day o'clockM., and duly recorded in Vol
of <u>Mtg</u> FEE \$23.00	on Page 8681 Evelyn Biehn County Clerk