

Aspen Title #04035609

STEVENS-NESS LAW PUB. CO., PORTLAND, ORE. 97204

20784

Vol. m90 Page 19623

THIS MORTGAGE, Made this

21st

day of September

19 90

to GLN MANAGEMENT, INC., AN OREGON CORPORATION

Mortgagor,

WITNESSETH, That said mortgagor, in consideration of ONE HUNDRED THIRTY FIVE THOUSAND AND NO/100 - - - - - (\$135,000.00) - - - - - 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 \_\_\_\_\_ County, State of Oregon, bounded and described as follows, to-wit:

That Real Property described in Exhibit "A" attached hereto and incorporated herein by reference.

This mortgage is also given as security to mortgagee for all indebtedness, which mortgagor may in the future incur to mortgagee. Such future indebtedness shall bear interest from the date of accrual at the same rates provided in the note secured herein. All such future indebtedness shall be deemed part of the indebtedness secured by this mortgage, and shall be recoverable as such.

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 promissory note, of which the following is a substantial copy:

Attached hereto as Exhibit "B" and incorporated herein by reference.

IN WITNESS WHEREOF, the mortgagor has hereunto set his hand and seal this 21st day of September, 1990.

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: \_\_\_\_\_, 19\_\_\_\_.

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); or

(b) for an organization, (even if mortgagor is a natural person) are for business or commercial purposes other than agricultural purposes.

This mortgage is inferior, secondary and made subject to a prior mortgage on the above described real estate made by Joyce K. Ward

to First Federal Savings and Loan Association of Klamath Falls, dated June 17, 1975

19\_\_\_\_, and recorded in the mortgage records of the above named county in book/reel/volume No. M75, at page 7080

thereof, or as document filed/instrument/microfilm No. \_\_\_\_\_, reference to said mortgage records hereby being made; the said first mortgage was given to secure a note for the principal sum of \$\_\_\_\_; the unpaid

principal balance thereof on the date of the execution of this instrument is \$\_\_\_\_ and no more; interest thereon is paid to \_\_\_\_\_, 19\_\_\_\_; said prior mortgage and the obligations secured thereby hereinafter, for brevity, are called simply "first mortgage."

The mortgagor covenants to and with the mortgagee, his heirs, executors, administrators and assigns, that he is lawfully seized in fee simple of said premises; that the same are free from all encumbrances except said first mortgage and further except Restrictions, and Rights of Way of record and those apparent on the land.

and that he will warrant and forever defend the same against all persons; further, that he will do and perform all things required of him and pay all obligations due or to become due under the terms of said first mortgage as well as the note secured hereby, principal and interest, according to the terms thereof; that while any part of the note secured hereby 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 secured hereby, when due and payable and before the same 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 hereafter may be erected on the said premises continuously insured against loss or damage by fire

20 SEP 20 1990

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and such other hazards as the mortgagee may from time to time require, in an amount not less than \$... in a company and companies acceptable to the mortgagee herein, with loss payable, first to the holder of the said first mortgage; second, to the mortgagee named herein and then to the mortgagee as their respective interests may appear, all policies of insurance shall be delivered to the holder of the said first mortgage as soon as insured and a certificate of insurance executed by the company in which said insurance is written, showing the amount of said coverage, shall be delivered to the mortgagee named in this instrument. Now if the mortgagee shall fail for any reason to procure any such insurance and to deliver said policies as aforesaid at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, the mortgagee may procure the same at mortgagor's expense; that the mortgagee will keep the buildings and improvements on said premises in good repair and will not commit or suffer any waste of said premises. In the event any personal property is part of the security for this mortgage, then at the request of the mortgagee, the mortgagor shall join with the mortgagee in executing one or more financing statements pursuant to the Uniform Commercial Code, in form satisfactory to the mortgagee, and will pay for filing the same in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the mortgagee.

Now, therefore, it said mortgagor shall keep and perform the covenants herein contained and shall pay all obligations secured by said first mortgage as well as the note secured hereby 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 payments of the note secured hereby; it being agreed that a failure to perform any covenant herein, or if a proceeding of any kind be taken to foreclose any lien on said premises or any part thereof, the mortgagee shall have the option to declare the whole amount unpaid on said note or 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 or any lien, encumbrance or insurance premium as above provided for, or fail to do or perform anything required of him by said first mortgage, the mortgagee herein, at his option, shall have the right to make such payments and to do and perform the acts required of and the mortgagor under said first mortgage; and any payment so made, together with the cost of such performance shall be added to and become a part of the debt secured by this mortgage, and shall bear interest at the same rate as the note secured hereby 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 mortgagor agrees to pay all reasonable costs incurred by the mortgagee for title reports and title search, all statutory costs and disbursements and such further sum as the trial court may adjudge reasonable as plaintiff's attorney's fees in such suit or action, and if an appeal is taken from any judgment or decree entered therein, mortgagor further promises to pay such sum as the appellate court shall adjudge reasonable as plaintiff's attorney's fees on such appeal, all such sums to be secured by the lien of this mortgage and included in the decree of foreclosure.

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, after first deducting all of said receiver's proper charges and expenses, to the payment of the amount due under this mortgage.

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.

Joyce K. Ward

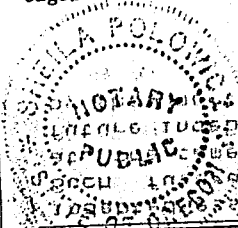
\*IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable. If warranty (a) is applicable and if the mortgagee is a creditor, as such word is defined in the Truth-in-Lending Act and Regulation Z, the mortgagee MUST comply with the Act and Regulation by making required disclosures; for this purpose, use Stevens-Ness Form No. 1306 or similar.

STATE OF OREGON,  
Clackamas  
County of Klamath

BE IT REMEMBERED, That on this 19th day of September, 1990, before me, the undersigned, a notary public in and for said county and state, personally appeared the within named Joyce K. Ward

known to me to be the identical individual described in and who executed the within instrument and acknowledged to me that she executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.



Sheila Polowicz  
Notary Public for Oregon  
My Commission Expires 12-18-93

SECOND MORTGAGE (FORM No. 925)

STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

Joyce K. Ward

GN Management, Inc.

AFTER RECORDING RETURN TO  
Boivin, Jones & Uerlings  
110 North 6th Street  
Klamath Falls, OR 97601

STATE OF OREGON,

County of

I certify that the within instrument was received for record on the day of 1990,

at o'clock P.M., and recorded in book/reel/volume No. on page or as document/fec/file/instrument/microfilm No.

Record of Mortgages of said County.

Witness my hand and seal of County affixed.

NAME TITLE

By Deputy

## PARCEL 1:

Beginning at a point on the Northerly line of Main Street, which is South 89 degrees 18' East a distance of 862.2 feet along the Northerly line of Main Street from the Southeast corner of Block 57, SECOND HOT SPRINGS ADDITION TO THE CITY OF KLAMATH FALLS, OREGON, in the County of Klamath, State of Oregon; thence North 0 degrees 42' East a distance of 254.5 feet, more or less, to a point which is 20 feet distant Southwesterly at right angles from the Southwesterly line of the U.S.R.S. Canal right of way; thence South 68 degrees 52' East and parallel with the Southwesterly line of said canal right of way and 20 feet distant Southwesterly at right angles therefrom a distance of 52.6 feet, more or less, to a point; thence South 0 degrees 42' West a distance of 234.5 feet, more or less to the Northerly line of Main Street; thence North 89 degrees 18' West along the Northerly line of Main Street a distance of 50 feet to place of beginning, all in WILLIAMS ADDITION TO THE CITY OF KLAMATH FALLS, OREGON; and

Beginning at a point on the Northerly line of Main Street, which is 89 degrees 18' East a distance of 912.2 feet along the Northerly line of Main Street from the Southeast corner of Block 57, Second Hot Springs Addition to the City of Klamath Falls, Oregon; thence North 0 degrees 42' East a distance of 234.5 feet, more or less, to a point which is 20 feet distant Southwesterly at right angles from the Southwesterly line of the U.S.R.S. Canal right of way; thence South 75 degrees 22 1/2' East parallel with the Southwest line of said canal right of way and 20 feet distant Southwesterly at right angles therefrom a distance of 55 feet, more or less, to the Northwest corner of that parcel of land deeded to Dr. A. A. Soule, April 24, 1923; thence in a Southerly direction and parallel to Mortimer Avenue, a distance of 214.8 feet, more or less, to the Northerly line of Main Street; thence Westerly along the Northerly line of Main Street a distance of 50 feet to the place of beginning, all in Williams Addition.

## PARCEL 2:

Beginning at a point which is South 89 degrees 19' East a distance of 1062.2 feet, East along the Northerly line of Main Street from the Southeasterly corner of Block 57, SECOND HOT SPRINGS ADDITION TO THE CITY OF KLAMATH FALLS, OREGON, in the County of Klamath, State of Oregon; thence North 0 degrees 42' East a distance of 191.25 feet to a point which is 20 feet distant Southwesterly at right angles from the Southwesterly line of the U. S. Reclamation Service Main Canal Right of Way; thence in a Northwesterly direction and parallel with the Southwesterly line of said canal right of way and 20 feet distant at right angles therefrom a distance of 101.25 feet, more or less, to a point; thence South 0 degrees 42' West a distance of 214 feet, more or less, to the Northerly line of Main Street; thence South 89 degrees 18' East a distance of 100 feet to the place of beginning, lying and being in the unplatted portion of Williams Addition to the City of Klamath Falls, Oregon, and in the S 1/2 of the SE 1/4 of the SW 1/4 of Section 28, Township 38 South, Range 9 East of the Willamette Meridian.

## PARCEL 3:

Beginning at a point which is South 89 degrees 18' East a distance of 1067.2 feet along the Northerly line of Main Street from the Southeasterly corner of Block 57 of SECOND HOT SPRINGS ADDITION TO THE CITY OF KLAMATH FALLS, OREGON, in the County of Klamath, State of Oregon; thence North 0 degrees 42' East a distance of 185.75 feet, more or less, to a point which is 20 feet distant Southwesterly at right angles from the Southwesterly line of the U.S. Reclamation Service Main Canal right of way; thence in a Northwesterly direction and parallel with the Southwesterly line of the said canal right of way and 20 feet distant at right angles therefrom a distance of 5.18 feet to the Northeast corner of that piece of land deeded to Eve Soule by Herbert Lang and Jennie Lang, as recorded in Volume 105 at Page 47 of Klamath County Deed Records; thence South 0 degrees 42' West a distance of 187.15 feet, more or less, to a point on the Northerly line of Main Street; thence South 89 degrees 18' East along the Northerly line of Main Street a distance of 5.0 feet to the point of beginning, lying and being in the unplatted portion of Williams Addition to the City of Klamath Falls, Oregon, and in the S 1/2 SE 1/4 SW 1/4 of Section 28, Township 38 South, Range 9 East of the Willamette Meridian.

CODE 1 MAP 3809-28CD TL 13500

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## PROMISSORY NOTE

\$135,000.00

September 21 1990.  
Klamath Falls, Oregon

I, JOYCE K. WARD, promise to pay to the order of GLN MANAGEMENT, INC. of Klamath Falls, Oregon, ONE HUNDRED THIRTY-FIVE THOUSAND and 00/100ths Dollars, with interest thereon at the rate of 12% per annum from the date of this note until paid, payable in monthly installment, at the dates and in amounts as follows:

\$1800.00 per month for a period of nine (9) months, with the first such payment due and payable on the 15<sup>th</sup> day of October, 1990, and like payments due and payable on the 15<sup>th</sup> day of each month thereafter, for a total of nine (9) payments. A balloon payment of the balance of the principal and interest shall become due and payable on July 11, 1991.

Interest shall be paid is included and the payments above required, which shall continue until this note, principal and interest, is fully paid; if any of said installments is not so paid, all principal and interest to become immediately due and collectible at the option of the holder of this note.

If this note is placed in the hands of an attorney for collection, I promise and agree to pay the reasonable attorney's fees and collection costs of the holder hereof, and if suit or action is filed hereon, also promise to pay holder's reasonable attorney's fees to be fixed by the trial court and if any appeal is taken from any decision of the trial court, such further sum as may be fixed by the appellate court, as the holder's reasonable attorney's fees in the appellate court.

Joyce K. Ward  
Joyce K. Ward.

STATE OF OREGON, ss.  
County of Klamath

Filed for record at request of:

on this 28th day of Sept. A.D., 19 90  
at 11:52 o'clock A M. and duly recorded  
in Vol. M90 of Mortgages Page 19623

Evelyn Biehn County Clerk

By Pauline Mullendor

Deputy.

Fee, \$28.00

Exhibit B