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Vol. mg3 Page 30456

RECORDATION REQUESTED BY:

First Interstate Bank of Oregon, N.A. 2809 S SIXTH STREET P.O. Box 238 KLAMATH FALLS, OR 97601

WHEN RECORDED MAIL TO:

First Interstate Bank of Oregon, N.A. 2809 S SIXTH STREET P.O. Box 238 KLAMATH FALLS, OR 97601

SEND TAX NOTICES TO:

JANIS CHRISTOPHERSEN LEROY A CH CHRISTOPHERSEN 441 FULTON ST KLAMATH FALLS, OR 97601

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MORTGAGE

THIS MORTGAGE IS DATED NOVEMBER 12, 1993, between LEROY A CHRISTOPHERSEN and JANIS M CHRISTOPHERSEN, TENANTS BY THE ENTIRETY, whose address is 441 FULTON ST, KLAMATH FALLS, CR 97601 (referred to below as "Grantor"); and First Interstate Bank of Oregon, N.A., whose address is 2809 S SIXTH STREET, P.O. Box 238, KLAMATH FALLS, OR 97601 (referred to below as "Lander").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easemants, the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easemants, the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easemants and affixed buildings, improvements and fixtures; all easemants are represented by the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easemants are represented by the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easemants are represented by the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easemants are represented by the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easemants are represented by the fixed buildings with dischorate and the easemants are represented by the fixed buildings and the easemants are represented by the fixed buildings are represented by the easemants are other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters. iocated in KLAMATH County, State of Oregon (the "Real Property"):

LOT 20 OF WEST PARK ADDITION TO THE CITY OF KLAMATH FALLS.

The Real Property or its address is commonly known as 441 FULTON ST, KLAMATH FALLS, OR 97601. The Real Property tax identification number is 41969 R29983.

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

DEFINITIONS. The following words shall have the following meanings when used in this Mortgage. Terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Oregon Uniform Commercial Code.

Grantor. The word "Grantor" means LEROY A CHRISTOPHERSEN and JANIS M CHRISTOPHERSEN. The Grantor is the mortgager under this

Guarantor. The word "Guarantor" means and includes without limitation each and all of the guarantors, surelies, and accommodation perfect in

Indebtedness. The word "Indebtedness" means all principal and interest payable under the Note and any amounts expended or advanced by Lender to discharge obligations of Grantor or expenses incurred by Lender to enforce obligations of Grantor under this Mortgage, together with

interest on such amounts as provided in this Mortgage. Note. The word "Note" means the promissory note or credit agreement dated November 12, 1993, in the original principal amount of \$41,200.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. The maturity date of this Mortgage is December 5, 2008. The rate of interest on the Note is subject to indexing, adjustment, renewal, or renegotiation.

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or horeafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the property, interests and rights described above in the "Grant of Mortgage" section.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ALL OBLIGATIONS OF GRANTOR UNDER THIS MORTGAGE. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Grantor shall pay to Lender all amounts secured by this Mortgage as they become due, and shall strictly perform all of Grantor's obligations under this Mortgage.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property chall be governed by the

Possession and Uso. Until in default, Grantor may remain in possession and control of and operate and manage the Real Property and collect the Rents. THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED

USES.

Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Nulsance, Waste. Grantor shall not cause, conduct or permit any nulsance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Specifically without limitation, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), soil, gravel or rock products without the prior written consent of Lender.

DUE ON SALE - CONSENT BY LENDER. Lender may, at its option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without the Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of real property or any right, title or interest therein; whether legal or equitable; whether voluntary or involuntary or whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a form greater than three (2) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of real property interest. If any Grantor is a corporation or partnership, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock or partnership interests, as the cash may be, of Grantor. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Oregon law.

TAXES AND LIERS. The following provisions relating to the taxes and liens on the Property are a part of this Morigage.

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water cherper and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or tor services rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Mortgage, except for the lien of taxes and assessments not due, and except as otherwise provided in the following paragraph

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Mortgage

Maintenance of insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Policies shall be written by such insurance companies and in euch form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of ten (10) days' prior written notice to Lender.

Application of Proceeds. Granter shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Granter fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at its election, apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property.

EXPENDITURES BY LENDER. If Grantor fails to comply with any provision of this Mortgage, or if any action or proceeding is commenced that would materially affect Lender's interests in the Property, Lender on Grantor's behalf may, but shalf not be required to, take any action that Lender deems appropriate. Any amount that Lender expends in so doing will bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses, at Lender's option, will (a) be payable on demand. (b) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (i) the term of any applicable insurance policy or (ii) the remaining term of the Note, or (c) be troated as a balloon payment which will be due and payable, at the Note's maturity. This Mortgage also will secure payment of these amounts. The rights provided for in this paragraph shall be in addition to any other rights or any remodered to which Lender may be entitled on account of the default. Any such action by Lender shall not be construed as curing the default so as to bar Lender from any remedy that it otherwise would have had.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Mortgage.

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and coar of all lens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Mortgage, and (b) Grantor has the full right, power, and authority to execute and deferm this Mortgage to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons.

DEFAULT. Each of the following, at the option of Lender, shall constitute an event of default ("Event of Default") under this Mortgage

Default on Indebtedness. Failure of Grantor to make any payment when due on the indebtedness.

Compliance Default. Failure of Grantor to comply with any other term, obligation, covenant, or condition contained in this Mortgage, the Note or in any other agreement between Grantor and Lender.

Insolvency. The insolvency of Grantor, appointment of a receiver for any part of Grantor's property, any assignment for the benefit of credibus, the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor, or the desolution or termination of Grantor's existence as a going business (if Grantor is a business). Except to the extent prohibited by federal law or Oregon law, the death of Grantor (if Grantor is an Individual) also shall constitute an Event of Default under this Mortgage.

Events Affecting Guarantor. Any of the proceeding events occurs with respect to any Guaranter of any of the indebtedness or such Guarantee dies or becomes incompetent.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of any Event of Default and at any time (hereafter, Lender, at its option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Grantor to declare the entire Indebtedness immediately dire and payable, including any prepayment penalty which Grantor would be required to pay.

UCC Romedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured pathy under the Oregon Uniform Commercial Code.

Judicial Foreclosure. Lender may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

Nonjudicial Sale. If permitted by applicable law, Lender may foreclose Grantor's interest in all or in any part of the Fersonal Property or the Real Property by nonjudicial sale.

Deficiency Judgment. If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining in the indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section.

Other Remedies. Lender shall have all other rights and remedies provided in this Mortgage or the Note or available at law or in equity

MORTGAGE

30458 Page : (Continued) Attorneys' Fees; Expenses. In the event of foreclosure of this Mortgage, Lender shall be entitled to recover from Granter Lender's attorneys' level MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Mortgage: Applicable Law. This Mortgage has been delivered to Lender and accepted by Lender in the State of Cregor. This Mortgage shall be governed by and construed in accordance with the laws of the State of Oregon. Walver of Homestead Exemption. Grantor hereby releases and walves all rights and benefits of the homestead exemption laws of the future of EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND EACH GRANTOR AGREES TO ITS GRANTOR: LEROY A CHRISTOPHERSEN INDIVIDUAL ACKNOWLEDGMENT STATE OF OREGON OFFICIAL SEAL REYNA M. MARVIE 183 COUNTY OF KLAMATH On this day before me, the undersigned Notary Public, personally appeared LERCY A CHRISTOPHERSEN and JANIS M CHRISTOPHERSEN, to the known to be the individuals described in and who executed the Mortgage, and acknowledged that they signed the Mortgage as their tree and voluntary my hand and disiglal soul this 12th day of NOVEMBER Residing at 2809 SOUTH 6th STREET KLAMATH FALLS, OR Notary Public In and for the State of OREGON My commission expires 10-07-94 LASER PRO (trg) Ver. 3.10a (c) 1993 CFI Bankers Service Group, Inc. All rights reserved.

STATE OF OREGO	COUNTY OF KLAMATH: ss.	
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