

This 11th day of February, 19 76, DONALD L. ROSE AND JOYCE A ROSE, husband & wife hereinafter "Mortgagor", and CITIZENS VALLEY BANK, hereinafter "Mortgagee", in consideration of \$ 27,500.00 does hereby bargain, sell and convey unto said Mortgagee his heirs, executors, administrators and assigns, that certain real property situated in SPAMANIA County, State of WASHINGTON, bounded and described as follows, to-wit:

The Northeast Quarter of the Northeast Quarter (NE $\frac{1}{4}$ NE $\frac{1}{4}$) of Section 36, Township 3 North, Range 3 E. W. M.; EXCEPT that portion thereof lying easterly and westerly of the county road known and designated as the Girl Scout Road.

Together with all and singular the tenements, hereditaments and appurtenances therunto 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 the following:

All sums now owing or hereafter due from mortgagor to the mortgagee.

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 except or subject to

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 hereafter may be erected on the said premises continuously insured against loss or damage by fire and such other hazards as the mortgagee may from time to time require, in an amount not less than the original principal sum of the note or obligation secured by this mortgage, in a company or companies acceptable to the mortgagee, with loss payable first to the mortgagee and then to the mortgagor as their respective interests may appear; all policies of insurance shall be delivered to the mortgagee as soon as insured. Now if the mortgagor shall fail for any reason to procure any such insurance and to deliver said policies to the mortgagee 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 he will keep the buildings and improvements on said premises in good repair and will not commit or suffer any waste of said premises; that he will keep the mortgagee, the mortgagor shall comply 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, 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 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, 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 mortgagor at any time while the mortgagor neglects to repay any sums so paid by the mortgagor. 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 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 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

Donald L. Rose
Joyce A. Rose

STATE OF OREGON,)
County of LINN) ss.
February 11, 1976

STATE OF OREGON, County of _____) ss.
_____, 19__

Personally appeared the above named
Donald L. Rose & Joyce A. Rose
husband & wife

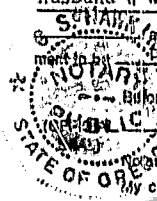
Personally appeared _____ and _____ who, being duly sworn, each for himself and for one for the other, did say that the former is the _____ president and that the latter is the _____ secretary of _____

and acknowledged the foregoing instrument to be their voluntary act and deed.

_____ a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and each of them acknowledged said instrument to be its voluntary act and deed.

Before me:

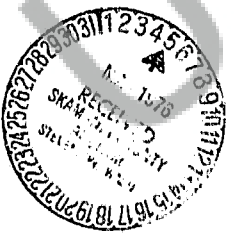
(OFFICIAL SEAL)



Notary Public for Oregon
My commission expires _____
My Commission Expires May 29, 1976

Notary Public for Oregon
My commission expires _____

81312



COUNTY OF LINN, OREGON

I HEREBY CERTIFY THAT THE WITHIN INSTRUMENT OF WRITING FILED BY _____

OF _____

AT 9:45 A. M. FEB 5 1976

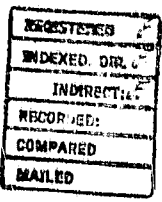
WAS RECORDED IN BOOK 53

OF _____ AT PAGE 41

RECORDS OF BENTON COUNTY, WASH.

COUNTY AUDITOR

BY _____



After recording, return to:
Citizens Valley Bank
95 E. Sherman
P.O. Box 548
Lebanon, Oregon 97355