

MORTGAGE

Vol. 177 Page 349

23880

November 4, 1976

CITATION AIR, INC., an Oregon corporation, herein-
after called Mortgagor, hereby mortgages to C.A. CONNORS
CONSTRUCTION CO, hereinafter called Mortgagee, its successors
and assigns, the buildings and improvements constructed by
C.A. CONNORS CONSTRUCTION CO. consisting of a wood frame building
with steel covering, pursuant to Mortgagor's lease from the
City of Klamath Falls, Oregon dated August 3, 1976, upon that
certain real property situated in Klamath County, Oregon,
described as follows:

A portion of the NE 1/4 of Section 22,
T39, R9, Klamath County, Oregon, described
as follows:

Beginning at the Northwest corner of the
property now leased by Klamath Aircraft,
Inc.; Thence Easterly along the North line
of said property leased by Klamath Air-
craft, Inc., a distance of 440 feet more
or less, to the Northeast corner of said
property; Thence Northerly, along the
Northerly prolongation of the Easterly
line of said property a distance of 300
feet; Thence Westerly, along a line parallel
with and 300 feet Northerly of the North
line of said property leased by Klamath
Aircraft, Inc., a distance of 440 feet more
or less; Thence Southerly, along the
Northerly prolongation of the Westerly
line of said property, a distance of 300
feet to the point of beginning.

Together with all appurtenances, tenements, hereditaments, rents,
issues, profits, water rights, easements or privileges now or
hereafter belonging to, derived from or in anywise appertaining
to the above described premises.

This mortgage shall include all buildings and improvements, ~~350~~ including, but not limited to, all lighting, heating, ventilating, airconditioning, refrigerating, equipment and fixtures, together with floor coverings in place, shades now or hereafter installed or used in connection with the above described premises. Upon request of the Mortgagor, Mortgagee shall join with the Mortgagor in executing one or more financing statements pursuant to the Uniform Commercial Code, in a form satisfactory to the Mortgagee.

This mortgage is intended to secure the payment of a promissory note, of which the following is a substantial copy:

PROMISSORY NOTE

\$37,492

November 4, 1976

One Hundred Twenty days after date, we CITATION AIR, INC., an Oregon corporation, and DAVID CAVENER and EDGAR L. VIETS, of Klamath Falls, Oregon, jointly and severally, promise to pay to the order of C. A. CONNORS CONSTRUCTION CO., at 6457 N.E. Columbia, Portland, Oregon, the sum of \$37,492, in lawful money of the United States, with interest thereon at the rate of 9 percent per annum from date until paid. In case suit or action is instituted to collect this note, we promise to pay such additional sum as the trial court may adjudge reasonable as attorney's fees in said suit or action, and any appellate court upon appeal of such suit or action.

The undersigned and all indorsers, sureties, and guarantors hereof, hereby jointly and severally

waive presentment, demand for payment, notice of dishonor, notice of protest, and protest, and all other notices or demands in connection with the delivery, acceptance, performance, default, indorsement, or guaranty of this instrument.

347

CITATION AIR, INC.

Attest:

By: s/ David Cavener

Secretary

s/ Edgar L. Viets
Edgar L. Viets, Individually

s/ David Cavener
David Cavener, Individually

The final payment of principal and interest thereon, if not sooner paid, is due and payable on March 3, 1977.

COVENANTS
OF MORTGAGOR

1. Mortgagor covenants to and with the Mortgagee

that:

1.1. Mortgagor is lawfully in possession of said premises under said lease which said lease is valid and binding upon the parties hereto and enforceable according to its terms.

1.2. Mortgagor is a corporation, duly organized and validly existing and in good standing under the laws of the State of Oregon; has all requisite power and authority to consummate the transaction contemplated by this Mortgage and the promissory note secured hereby and has by proper corporate proceedings duly authorized the execution and delivery of this Mortgage and said note by the officers executing the same, and the consummation of all transactions contemplated herein.

1.3. This Mortgage and the promissory note secured ³⁶² is a legal, valid and binding obligation of the Mortgagor and is enforceable in accordance with its terms.

1.4. This Mortgage violates no other mortgages and all necessary third party consents, if any, including but not limited to the consent of the City of Klamath Falls, have been obtained.

2. Mortgagor promises that:

PROMISES
OF MORTGAGOR

2.1. It will pay said note according to the terms thereof;

2.2. It will pay all taxes, assessments and other charges which may be levied or assessed against said property when due.

2.3. It will promptly discharge any liens against said property which are superior to the lien of this Mortgage; Mortgagor shall pay according to the terms thereof, any prior mortgage or other lien now or hereafter existing against said property. In the event that Mortgagor shall fail to pay any sum due upon any such prior lien promptly when due, Mortgagee may pay the same and Mortgagor shall reimburse Mortgagee the amount thereof upon demand, and Mortgagee may add the amount thereof to the debt secured by this mortgage and the same shall bear interest at the rate specified in said note, without waiver, however, of any right arising to the Mortgagee for Mortgagor's breach hereof.

2.4. It will keep the building now on or which may hereafter be erected on the premises insured in favor of the Mortgagee against loss or damage by fire, with extended coverage, in the sum of \$37,492, in a company acceptable to the Mortgagee, and will name Mortgagee as an additional insured as his interest may appear. If the property is damaged because of fire or other risk covered by insurance, Mortgagee shall apply the proceeds of said insurance against the cost of repair, and any amount not required for said purpose shall be paid to the Mortgagee and applied against the unpaid balance of principal and interest on said note; but if said insurance proceeds shall be insufficient for such repairs, Mortgagor shall pay the difference. If damage to the improvements is so extensive as to constitute total destruction, so that repair is not feasible, the insurance proceeds shall be paid to the Mortgagee and applied against the payments of the unpaid balance of principal and interest on said note, and any excess over the balance thereof shall be paid to the Mortgagor. In the event that Mortgagor shall fail to file any proof of loss or to endorse any check, draft or warrant payable to Mortgagor arising from such loss, Mortgagor hereby names and constitutes the Mortgagee his attorney-in-fact to make such proof of loss and to endorse such check, draft or warrant and apply the proceeds as provided herein.

2.5. It will keep the building and improvements ⁰³⁵⁴ said premises in good repair and will not commit or suffer any waste of the premises.

WAIVER

3. The Mortgagor agrees that failure of the Mortgagee at any time to require performance by the Mortgagor of any provision of this mortgage or said note, shall in no way affect Mortgagee's right hereunder to enforce the same, nor shall any waiver by the Mortgagee of any breach of any provision hereof be held to be a waiver of any succeeding breach of any such provision, or as a waiver of the provision itself.

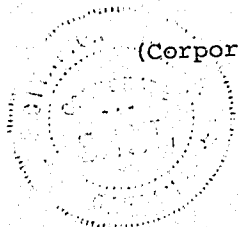
This Mortgage and the note secured hereby are personal to the Mortgagor and in the event of any sale or transfer of said property, or any part thereof, without the consent of the Mortgagee, the entire unpaid balance of the mortgage and the note secured thereby shall become immediately due and payable.

All of the covenants and agreements herein shall apply to and bind the successors and assigns of the Mortgagor and Mortgagee, respectively.

Wherever the context so requires, the masculine includes the feminine and/or neuter, and the singular includes the plural.

IN WITNESS WHEREOF, Mortgagor has caused these presents to be duly executed by authority of its Board of Directors, all on the day and year first above written.

355



(Corporate Seal)

CITATION AIR, INC.

By: David Cavenier PRES.

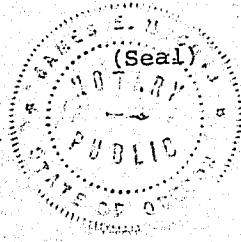
By: Edgar L. Viets

STATE OF OREGON)
COUNTY OF KLAMATH) ss.

December 30, 1976.

Personally appeared David Cavenier and Edgar L. Viets who, being duly sworn, each for himself and not one for the other, did say that the former is the president and that the latter is the secretary of CITATION AIR, INC, 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:



James E. Milne
Notary Public for Oregon
My Commission Expires: 1/1/80

7

STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 7th day of January A.D., 1977 at 2:09 o'clock P.M., and duly recorded in Vol. M77 of MORTGAGES on Page 349.
FEE \$ 21.00

WM. D. MILNE, County Clerk
By: Kazil Drazil Deputy