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U.S. Creditcorp

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9340 S. W. Beaverton-Hillsdale Highway Vol. ^m 78 Page 229
Suite 5, Beaverton, Oregon 97005

MORTGAGE AND ASSIGNMENT OF SELLER'S INTEREST

Seller's Name: Donald Edward Johnson
Muriel Annetta Johnson
 Seller's Address: 2633 Midland Road
Klamath Falls, Oregon 97601
 Date: May 24, 19 78
Klamath Falls, Oregon

1. **Grant of Assignment and Mortgage.** Seller hereby assigns to U. S. CREDITCORP (USCC) all of Seller's right, title and interest in the following-described contract or contracts for the sale of real estate (hereinafter called "Contract" whether one or more):

CONTRACT DATE	ORIGINAL SELLER	PURCHASER	COUNTY	RECORDED BOOK PAGE
June 1, 1975	Donald Edward Johnson and Muriel Annetta Johnson	Vernon O. Cross and Loelma P. Cross and James E. Cross and Judy I. Cross	Klamath	Unrecorded

and mortgages to USCC all of Seller's rights and interest in the real property or properties that is the subject of the Contract (hereinafter called "Property" whether one or more parcels), together with any personal property which may be subject to the Contract. The Property is described as follows:

Described on Exhibit "A" attached

2. **Indebtedness.** This agreement secures the payment of a promissory note ("Note") signed by Donald Edward Johnson and Muriel Annetta Johnson which is payable to USCC. The Note is dated June 9, 1978.

The original amount of the loan is \$ 25,100.00. The interest rate is:
 a. ☒ 16.0 % per annum on the unpaid part of the loan.
 b. ☐ % per month on the unpaid part of the loan that is not over \$300, % per month on the unpaid part of the loan that is over \$300 but not over \$1,000, and % per month on the unpaid part of the loan that is over \$1,000 but not over \$5,000.
 The scheduled payments are 15 annual instalments of at least \$ 4,501.87, until the entire loan, including interest is paid, with the first payment due on March 15, 1979 and the final payment of the entire unpaid amount, with interest, due on March 15, 1993; or

3. **Encumbrances.** Seller warrants and will defend title to the Property against the lawful claims of all persons, subject only to the contractual rights of the Purchaser under the Contract, and warrants that the Property is subject to no other interest or encumbrance except the following: Items shown in attached Exhibit "A" and items listed in Escrow Instructions No. 345 dated June 1, 1975 of United States National Bank of Oregon, Town & Country Branch, Klamath Falls, Oregon.

("Permitted Encumbrances").

4. **USCC Not Liable.** In accepting this Agreement, or in its discretion performing any of Seller's obligations hereunder, USCC does not assume any liability or responsibility to perform, or continue to perform, any of Seller's other obligations under the Contract.

5. **Seller's Warranties.** Seller represents and warrants to USCC that (1) Seller is the sole owner of the Contract, free of all liens and encumbrances, and has the right to assign the Contract; and (2) the Contract is a valid, legal and binding contract for the sale of the Property described therein, not subject to any offset, discount, or deduction not stated in the Contract; and (3) no defense exists on the part of any purchaser, guarantor, or other person obligated on the Contract; (4) the Contract is not delinquent or in default and all taxes and assessments on the Property are current; and (5) the balance owing on the Contract as of this date is \$ 112,097.74 with interest from 3 / 15 / 78 and the next regular payment will be due on 3 / 15 / 79.

6. **Seller's Covenants.** Seller covenants that (1) Seller shall deliver and pledge the signed original of the Contract to USCC concurrently with this Agreement, or upon demand by USCC; (2) Seller shall, promptly upon request, execute and give USCC financing statements, memorandums of this Agreement, or any other document that USCC considers advisable to protect its interest under this Agreement, which may be filed or recorded at Seller's expense; (3) Seller shall perform all obligations of Seller under the Contract, and do all things necessary to prevent events or conditions that would adversely affect the value of the Contract and Property as security; (4) if the Contract requires the Purchaser to obtain Seller's consent to a sale of the Property or other transfer of Purchaser's interest, the Seller, five days before giving its consent, shall notify USCC of the identity of the proposed transferee, and shall withhold its consent except to a person who Seller has reasonably determined to be creditworthy; and (5) Seller shall do all in its power to collect payments under the Contract when due, and shall notify USCC in writing within 48 hours of discovery that (i) the purchaser has failed to make a timely payment on the Contract, or (ii) the Contract is in default for any other reason; (6) Seller shall keep records satisfactory to USCC respecting the Contract and payments thereon and shall allow USCC access to the records at all times; and (7) Seller shall pay to USCC on demand all actual and necessary expenses of recording, filing or releasing this document or any other document in connection with this transaction.

7. **Insurance.** Seller shall be responsible for insuring the Property and keeping it insured with an insurer duly licensed to do business in this State and acceptable to USCC against such risks and in such amounts as specified by USCC. Seller shall give USCC the policies or other evidence of insurance satisfactory to USCC. If USCC requests, Seller shall have the insurance made payable to USCC and secure an endorsement acceptable to USCC making the insurance payable to USCC and providing USCC notice prior to lapse or cancellation.

8. **Default.** The following are events of default:

(a) Any payment of principal or interest due on the indebtedness, is not paid when due;

(b) Death, dissolution, or termination of existence of Seller or Borrower; failure by Seller or Borrower to pay debts as they become due; appointment of a receiver for any part of Seller's or Borrower's assets; assignment by Seller or Borrower for the benefit of creditors, or the commencement of any proceedings under any bankruptcy or insolvency law by or against Seller or Borrower;

(c) Any default under the Contract, being assigned hereby; and

(d) Failure of the Seller to perform any other covenant under this Agreement within 15 days after USCC mails notice to the Seller specifying the failure.

9. **Substituted Performance.** Either before or after default, if Seller fails to keep the Property insured or fails to comply with any requirement of Seller under this Agreement, or if Seller fails to comply with any requirement under the Contract, or if taxes or assessments are not paid, or if there are liens or encumbrances (other than Permitted Encumbrances) against the Property or if any other event or condition affects or threatens the value of the Property of the Contract, then USCC shall have the right to take any action which it considers necessary to cure or prevent such failure or condition or protect its security.

10. **Direct Collection.** Either before or after default, USCC shall have the right to notify the Purchaser under the Contract to make payments owing on the Contract directly to USCC, and the Purchaser shall thereafter be required to do so. At the request of USCC, the Seller shall promptly notify the Purchaser under the Contract to make payments directly to USCC. After notification, the Seller shall not solicit payments from the Purchaser. Purchaser is hereby authorized and directed to recognize the rights of USCC, including the rights of USCC to receive payments under the Contract, without investigating the validity of those rights, or any facts relating to those rights. A receipt of USCC for payments from Purchaser shall be a full discharge and release of the obligation of the Purchaser to make the payments for which the receipt is given. Checks for payments shall be made to the order of USCC only.

11. **Prepayment.** Seller shall immediately pay to USCC any payments made by the Purchaser under the Contract in excess of required minimum payments. These payments shall be applied to the last maturing instalments on the Note described in 2. above.

Payments shall be made by the Seller to USCC under this section even though USCC has not asked for Direct Collections under section 10. above.

12. **Rights upon Default.** After the occurrence of any event of default, in addition to its rights under Sections 9 and 10, USCC may at USCC's option exercise any one or more of the following rights and remedies:

(a) The right, without demand or notice, to declare the entire Indebtedness immediately due and payable.

(b) The right to foreclose the Property or the Contract by judicial proceedings in accordance with applicable law.

(c) The rights and remedies of a secured party under the Uniform Commercial Code, as well as those stated herein. USCC may without notice take possession of all personal property subject to the Contract or require Seller to assemble it and turn it over to USCC at a reasonable

ably convenient place designated by USCC. USCC shall have no duty with respect to personal property in its possession beyond the use of ordinary reasonable care in its physical custody and preservation. USCC may retain personal property in which it has a security interest in satisfaction of the Indebtedness or may sell or otherwise dispose of it at either public or private sale, first giving Seller ten days' notice of the date of public sale or the date after which private sale may be made. The Seller agrees that ten days' notice is reasonable notice. The Seller shall be liable for any deficiency and USCC shall account for any surplus.

(d) USCC may sell the Contract and the Property separately or together. It may sell the Property in parcels. It may purchase the Contract, or all or any portion of the real or personal property subject to the Contract at public sale.

13. **Condemnation.** Seller agrees to defend any condemnation action affecting the Property. The net proceeds of any condemnation award shall be paid to USCC for application on the last maturing instalments on the Indebtedness.

14. General Provisions.

(a) A waiver by USCC of a breach of this Agreement shall not constitute a waiver of, or prejudice USCC's right to demand strict compliance with, that provision or any other provision.

(b) USCC may realize upon any other collateral it may have, and apply the proceeds with respect to the Indebtedness in any manner and in any order, without affecting USCC's rights to realize upon and apply the proceeds of the Property.

(c) Seller agrees to pay a reasonable fee for any title examination and/or title insurance obtained in connection with this transaction. In addition, if the loan secured hereby is in excess of \$5,000, Seller agrees to pay a reasonable fee for appraisal and survey to a person who is not an employee at USCC.

(d) If amounts due under any Contract are being collected by an agent, or paid to an escrow holder, this Agreement is an irrevocable instruction from the Seller to any such agent or escrow holder to deliver to USCC, at USCC's request, any money due under the Contract or any other property or documents which are payable or deliverable to Seller or to an account or person named by Seller.

Donald Edward Johnson
Donald Edward Johnson

Muriel Annetta Johnson
Muriel Annetta Johnson

INDIVIDUAL ACKNOWLEDGEMENT

STATE OF OREGON)

County of Klamath) SS.

Personally appeared the above-named Donald Edward Johnson and Muriel Annetta Johnson, and acknowledged the foregoing Mortgage and Assignment of Seller's Interest to be their voluntary act and deed.

Before me:

June 9

19 78

Notary Public for Oregon
My commission expires: 10-24-79

CORPORATE ACKNOWLEDGEMENT

STATE OF OREGON)

County of) SS.

Personally appeared

is the

_____ of the corporation that executed this Mortgage and Assignment of Seller's Interest and that the seal affixed hereto is its seal and that this Mortgage and Assignment of Seller's Interest was voluntarily signed and sealed in behalf of the corporation by authority of its Board of Directors.

Before me:

Notary Public for Oregon
My commission expires:

PARTNERSHIP ACKNOWLEDGEMENT

STATE OF OREGON)

County of) SS.

Personally appeared

is a partner of

_____ who, being sworn, stated that he and that the foregoing Mortgage and Assignment of Seller's Interest was signed on behalf of said partnership by authority thereof; and he acknowledged said instrument to be its voluntary act and deed

Before me:

Notary Public for Oregon
My commission expires:

12393

EXHIBIT A

THE FOLLOWING DESCRIBED PREMISES SITUATED IN KLAMATH COUNTY, OREGON AS FOLLOWS:

A tract of land situate in Section 33, Township 39 South, Range 9 East of the Willamette Meridian, more particularly described as follows:

Beginning at an iron pipe in the fence line along the East 1/16th line of Section 33, Township 39 South, Range 9 E. W. M., from which the North-west corner of Section 33, Township 39 South, Range 9 E. W. M., bears North 75°10'43" West 4119.43 feet distant; thence along a fence line North 41°10' West 506.8 feet; thence South 89°14'20" West 1796.60 feet; thence South 10°50' West 342.55 feet; thence South 0°47' East 290.60 feet; thence South 89°13' West 1292.76 feet; thence South 18°59' East 640.20 feet; thence South 40°11' East 387.80 feet; thence South 27°58'20" East 704.35 feet; thence South 82°57'20" East 831.95 feet; thence South 32°08'20" East 333.45 feet; thence South 70°52'40" East 384.80 feet; thence South 20°04'40" East 363.00 feet, more or less, to the South 1/16th line of said Section 33; thence along said South 1/16th line South 89°48'40" East 1052.00 feet to the fence line along the East 1/16th line of said Section 33; thence North 0°10' West along said fence line 2918.68 feet, more or less, to the point of beginning.

Together With a non-exclusive, perpetual easement at two locations to install or maintain pumps in the U.S.R.S. C-4 and C-4K Laterals and to operate the same and conduct water therefrom over adjoining lands of the above-described premises as set forth in Deed recorded in Vol. M74 at page 9920.

SUBJECT TO: Acreage and use limitations under provisions of United States Statutes and regulations issued thereunder; Liens and assessments of Klamath Project and Klamath Irrigation District, and regulations, easements, contracts, water and irrigation rights in connection therewith; Rules, regulations, liens, assessments, contracts, rights of way, easements, and any and all obligations created or imposed upon or affecting said premises by the Klamath Basin Improvement District, a corporation; Any unpaid charges or assessments of Klamath Basin Improvement District; Easements and rights of way of record and those apparent on the land, if any.

(NOTE: The above property has been granted special assessments for farm use, and when same is terminated it will be subject to additional ad valorem tax.)

x Donald Edward Johnson
Donald Edward Johnson

x Muriel Annetta Johnson
Muriel Annetta Johnson

TA

STATE OF OREGON,
County of Klamath)
Filed for record at request of.

Transamerica Title Co.
on this 9th day of June A.D. 19 78
at 3:52 o'clock P M, and duly
recorded in Vol. M78 of Mortgages
page 12391
Wm. J. Milne, County Clerk
By Bernice H. Hetch Deputy
Fee 9.00