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Vol. 80 Page 2560Date Feb 5 1980Albers Country Store2710 South Sixth
Klamath Falls, Oregon

Lien Claimant

vs.

Benny W. Tafell and Barbara K. Tafell
husband & wife
Rt 1 Box 294

Lien Debtor

CLAIM OF LIEN

FARM LABOR, SERVICES,
MATERIALSNOTICE HEREBY IS GIVEN That Albers Country Store
claims a lien upon the crops of milk and cattle and landand the following described animals 40 Holstein Cows and 19 Holstein Heifers
land and buildingsraised and
grown in the year 1980 upon the following described farmland, range, ranch, orchard land or in claimant's place
of business situated in Klamath County, Oregon to-wit:The SW 1/4 NE 1/4, The S 1/2 SE 1/4 NE 1/4, the N 1/2 SE 1/4, and the
E 1/2 SE 1/4 SE 1/4 less the South 628 Feet thereof, all in Section 22,
Township 38 South Range 11 1/2 East of the Willamette Meridian.
SAVING and Excepting Portions Lying within the boundary of the county.

STATE OF OREGON

FILED: FEBRUARY 5 1980

The terms of extending beyond (if any) the
here. The date on which between was one hundred forty days before and subject to
The date on which between was one hundred forty days before and subject to
on date were not subject to the date here mentioned.Said lien also is claimed upon the proceeds of the sale of any or all of said crops and animals. For brevity, the
crops and/or animals charged with this lien hereinafter are called chattels.Said lien is claimed for labor performed, materials supplied and/or services provided (as hereinafter more par-
ticularly described) by claimant at the request and for the benefit of the owner of said chattels to aid the growing or
harvesting of crops and for the raising of livestock upon the land described above; the words "performs labor or pro-
vides services," "materials," "growing and harvesting" and "raising animals" as used in this lien have the meaning
ascribed to them in Section 18 of Chapter 648, Oregon Laws 1975, to which reference hereby is made.The said labor, materials and/or services consisted of \$14,945.85 for Feed and
\$370.33 in Supplies less payment of \$879.56 on Feb 6, 1980.The name of the owner of the chattels so charged with this lien is Benny W. Tafell and
Barbara K. Tafell husband and wife.

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The following is a true statement of claimant's demand for which this lien is claimed:

Contract price \$
If no contract price, the reasonable value of said labor, materials and services \$
Labor performed \$ 14,436.62
Materials supplied \$
Services provided:
Use of machinery and equipment \$
Use of Livestock \$
Other services \$

Preparing this lien notice (ORS 87.910) \$ 10.00
Recording fees \$ 14.00

Total \$
Less all credits and offsets \$ 14,460.62

Balance unpaid and for which this lien is claimed \$

The close of the furnishing of said labor, materials and/or services was on Feb 5, 1980;
 60 days have not elapsed since the date just mentioned.

The sum so claimed is a true and bona fide existing debt as of the date of the filing of this notice of claim of lien. The date on which payment was due claimant for said labor, supplies and services was Feb 5, 1980.
 The terms of extended payment (if any) are None.

DATED: February 8, 1980.

Albers Country Store
 Claimant

STATE OF OREGON, County of Klamath ss.

I, Albers Country Store by Robert L. Lauer
 the claimant named in the foregoing notice of claim of lien, being first duly sworn, depose and say that I know the contents thereof and that the statements and claims made therein are in all respects correct and true, as I verily believe.

Subscribed and sworn to before me this 7th day of Feb, 1980.

(SEAL)

Notary Public for Oregon. My commission expires 9-18-83

The foregoing lien is authorized by Section 18 of Chapter 648, Oregon Laws 1975; Section 21 of said chapter provides in part:
 (1) A person claiming a lien created by sections 16 to 19 of this Act shall file a written notice of claim of lien with the recording officer of the county in which the lien debtor resides, or, if the lien debtor is a business, the county in which the lien debtor has its principal place of business not later than 60 days after the close of the furnishing of the labor, services or materials. * * *

Section 22 and 23 of said Chapter 648 provide:
 SECTION 22. The recording officer of the county shall record the notices filed under section 21 of this Act in a book kept for that purpose and called "index of the liens upon chattels."
 SECTION 23. When a lien claimant files a notice of claim of lien as required by section 21 of this Act, he shall send forthwith a copy of the notice to the owner of the chattel to be charged with the lien by registered or certified mail sent to him at his last-known address.

CLAIM OF LIEN
FARM LABOR, SERVICES, MATERIALS
 (FORM No. 942)

Albers Country Store
2719 So. 6th Klamath Falls, Ore.
 Lien Claimant
Benny W. Tollett and
Barbara K. Tollett, Husband and
Wife
 Lien Debtor

AFTER RECORDING RETURN TO

STATE OF OREGON

County of _____ ss.

I hereby certify that the within instrument was filed in my office on the _____ day of _____, 19____, at _____ o'clock _____ M., and recorded in book _____ on page _____, or as file/reel number _____, in the Record of Index of Liens upon Chattels of said County.
 WITNESS my hand and seal of County affixed.

By _____ Recording Officer
 Deputy

LEE 110-00

BATES 110-00
MAY 10 1980

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**ACCOUNTS RECEIVABLE
LOAN AND SECURITY AGREEMENT**

Date February 5, 1980

Agreement between Benny W. Tofell and Barbara K. Tofell
(Address) Route 2 Box 292 Bonanza, Oregon 97626
Albers Country Store
(herein called the debtor) and
2710 South Sixth Street Klamath Falls, OR 97601
whose address is

Section 1. Debtor's Places of Business.

If other than at the above address, the office where debtor keeps his records concerning accounts receivable and contract rights is same Oregon.
Neither the said office nor records shall be removed from Oregon without the written consent of the secured party. Other places of business of the debtor are:

the borrowing percentage, the debtor either shall furnish additional collateral or pay the difference in cash.

Section 3. Collateral.

To secure the payment and performance of all obligations of the debtor set forth in this agreement, the note or notes and any other obligations of the debtor to the secured party, the debtor grants to the secured party a security interest in the following collateral:

- 3.1 Accounts Receivable. All accounts receivable of the debtor now existing or hereafter arising (herein called "accounts").
- 3.2 Contract Rights. All contract rights of the debtor now existing or hereafter arising relating to sales of goods or performance of services or both in the course of the debtor's business.
- 3.3 Underlying Goods and Merchandise. All interest of the debtor now existing or hereafter arising in goods or merchandise as to which an account for goods sold and delivered has arisen.
- 3.4 Proceeds and Products. Proceeds and products of all the above.

Section 2. Loan Agreement.

- 2.1 Amount of Loan. The secured party from time to time will lend the debtor at debtor's request, such sums as the secured party in his discretion believes are adequately secured by this agreement.
- 2.2 Borrowing Percentage. The aggregate amount of the loans shall not exceed % of the net value of the qualified collateral as hereinafter defined plus 100% of the collected balance in debtor's cash collateral account. Should the aggregate amount of said loans at any time exceed said percentage, the entire loan, including the excess, is secured hereby.
- 2.3 Debtor's Notes. All loans shall be evidenced by debtor's promissory note or notes payable either on demand or on such maturity as the secured party may fix; all notes shall bear interest at such rates, and interest shall be payable at such intervals as the parties hereto shall agree upon at the time each loan is made.
- 2.4 Other Charges. In addition to the principal and interest of the notes the debtor shall pay to the secured party, upon his demand, all expenses incurred by the secured party to audit and service debtor's account and to preserve, collect, protect his interest in or realize on the collateral, including counsel fees and legal expenses, taxes and insurance premiums. All such expenses shall be part of the obligation secured by the collateral and shall bear interest at % per annum from the date advanced by the secured party until paid.
- 2.5 Terms of Payment.
 - (a) Deposit of Proceeds in Cash Collateral Account. Debtor, forthwith upon receipt of all checks, drafts, cash and other remittances (herein called proceeds) in part or full payment for any of the collateral, will deposit the proceeds in a cash collateral account maintained with the Bank, Branch of the over which the secured party alone shall have power of withdrawal. Pending such deposit the debtor shall not commingle any proceeds with any other funds or property of the debtor, but shall hold the proceeds separate and apart therefrom and upon an express trust for the secured party until deposited in the cash collateral account. Credit for proceeds deposited in the cash collateral account shall be conditional upon final payment of the deposited item. Once each week the secured party will apply the whole or any part of the collected funds on deposit in the cash collateral account against the principal or interest of the notes and the other charges specified in Section 2.4, the order and method of such application to be in the discretion of the secured party. Any part of the cash collateral account which the secured party elects not to so apply may be paid over by the secured party to the debtor.
 - (b) Alternative Method of Payment. The secured party, by written notice to the debtor (subject to revocation at any time), in lieu of requiring deposit of proceeds in the cash collateral account, may permit debtor to make payments weekly or at other intervals, of an amount equal to % of the proceeds of the collateral received by debtor during the interval.
- 2.6 Statement of Account and Additional Collateral. Once each month the secured party may render a statement of account to the debtor showing the current status of the loans, service charges and the cash collateral account. If the statement or any interim statement indicates that the loans outstanding exceed

Section 4. Qualified Accounts.

- 4.1 Definition: A qualified account is an account which meets all the following specifications on the date of the loan and until collected.
 - (a) For Goods and Services Rendered. It shall be a valid legally enforceable account receivable by the debtor for the performance of services or sale of goods arising in the ordinary course of business for which debtor has delivered or, at the time of loan, if requested by the secured party, will deliver to the secured party, invoices, billings and shipping documents.
 - (b) Due Date and Age of Accounts. Payment of the account is due days from the date of the invoice and it is not more than days overdue.
 - (c) Off-sets or Credits of Account Debtor. The account is not subject to any off-sets, credits, allowances or adjustments due the account debtor except prompt payment discounts nor has the account debtor returned the goods or indicated any dispute or complaint concerning liability therefor.
 - (d) Credit of the Account Debtor. Debtor has not received any notice nor has he any knowledge of any facts which impair the credit of the account debtor.
 - (e) Account Unencumbered. The debtor is the owner of the account and has not sold or assigned the account nor is the account subject to any claim, lien or security interest of any person, including the United States.
 - (f) Satisfaction of Secured Party. The secured party has not notified debtor that either the account or the account debtor is not qualified.
- 4.2 Change in Status of Account. The debtor shall notify the secured party promptly of any change in the status of an account from one qualified to one that is not qualified.

Section 5. Other Agreements of the Debtor.

- 5.1 Certificates and Schedules of Accounts. Debtor, in the form prescribed by the secured party, shall furnish the secured party
 - (a) Aging Report. On or before the 15th day of each calendar month, an aging report setting forth as of the close of the preceding month, in such detail as the secured party may require, amounts owing (i) 30 days or less, (ii) 31 to 60 days, (iii) 61 to 90 days and (iv) more than 90 days, together with the amount due and owing on each account.
 - (b) At Other Prescribed Times: With schedules of qualified accounts describing each account.
- 5.2 Endorsements. If any proceeds of accounts shall include or any of the accounts shall be evidenced by notes, trade acceptances or instruments or documents, debtor, if requested by the secured party, immediately shall deliver them to the secured party, appropriately endorsed. Regardless of the form of the endorsement, the debtor waives protest. If debtor fails to endorse any instrument or document, the secured party is authorized to endorse it on debtor's behalf.
- 5.3 Maintenance of Records. The debtor at all times shall keep accurate and complete records of the collateral and the status of each account.

5.4. Right of Secured Party to Inspect. The secured party and any of its agents shall have the right to call at the debtor's place or places of business or any other place where said records may be kept, at intervals to be determined by the secured party, to inspect the collateral and inspect, audit and copy any books and records of the debtor relating to the collateral or other transactions with the secured party; in this connection, the debtor shall render any necessary assistance to the secured party and its agents.

5.5. Reports. The debtor, if requested by the secured party, shall submit to the secured party

(a) Periodic Certified Statements. Within forty-five days after the end of each calendar quarter of each fiscal year of the debtor, his financial statement as of the close of such quarter, certified by an authorized person; within ninety days after the end of each fiscal year, his financial statements as of the close of the year, certified by independent accountants; and, from time to time, such additional information and reports regarding his financial status as the secured party may require.

(b) Reconciliation Report. At least once in each thirty-day period, a report in form satisfactory to the secured party showing the sales from, additions to, changes in value of, payment for and adjustments to inventory made since the preceding reconciliation report, together with such other information as the secured party may require.

5.6. United States Contracts. If any of the qualified accounts arise out of contracts with the United States or any of its departments, agencies or instrumentalities, debtor will notify the secured party and execute any necessary instruments in order that all money due or to become due under such contracts shall be assigned to the secured party and proper notice of the assignment given under the Federal Assignment of Claims Act.

5.7. Financing Statements. At the request of the secured party, debtor shall join with the secured party in executing one or more financing statements pursuant to the Uniform Commercial Code in form satisfactory to the secured party, and will pay for filing the statement in the proper public office or offices.

5.8. Other Borrowing. Without the written consent of the secured party, the debtor will not engage in any other financing or create any indebtedness for money borrowed except loans made hereunder nor allow any adverse financing statement covering the debtor's inventory or any collateral or proceeds thereof to be on file in any public office.

5.9. Further Documentation. At any time upon request of the secured party, debtor will do, make, execute and deliver all such additional and further acts, instruments or papers as the secured party may require to assure the secured party of the latter's rights hereunder and to the collateral and its proceeds. If debtor is a corporation, it will promptly furnish the secured party with certified copies of resolutions of its board of directors authorizing the execution and delivery of this contract.

5.10. Insurance. Debtor will carry such insurance as the secured party may require against loss or damage by fire and theft, and other hazards to be designated by the secured party on merchandise, the sale of which gave rise to a qualified account during the time that the merchandise is at debtor's risk or held by debtor in trust for the secured party, with such deductible provisions, upon such terms, including loss payable and other endorsements, and in such company or companies as the secured party may approve; debtor immediately will deliver all policies to the secured party, to be retained by the latter in pledge to secure debtor's obligations hereunder, with irrevocable authority to submit any proofs, to adjust any loss, receive and receipt for any sum payable, surrender any policy, discharge and release any insurer, endorse in debtor's name any loss or refund check or draft and, in general, exercise in the name of the debtor or otherwise, any and all rights of the debtor in respect thereto or in respect to the proceeds thereof. All proceeds of insurance shall be deposited in debtor's cash collateral account.

5.11. Taxes. Debtor shall pay, when due, all taxes and assessments on or relating to the collateral or on the proceeds thereof.

5.12. Notification of Account Debtor. At any time prior to or after default by the debtor, the secured party may notify the account debtors on any of the collateral to make payment directly to the secured party. The debtor, if the secured party so requires, shall notify the account debtors of the secured party's security interest in their accounts. Until such time as the secured party by written notice to the debtor elects to exercise said right of notification, the debtor is authorized as agent of the secured party, to collect and enforce the accounts.

Section 6. Default.

The debtor shall be in default under this agreement upon the occurrence of any of the following events:

6.1. Nonpayment of Principal and Interest. Failure to pay when due the principal or interest on any note.

6.2. Breach of Debtor's Agreement. Failure by debtor to keep, observe or perform any provision of this agreement or any other agreement between debtor and the secured party.

6.3. Misrepresentation. The discovery of any misrepresentation, breach of warranty or material falsity of any certificate, schedule or statement made or

furnished by debtor to the secured party, whether or not in connection with this agreement.

6.4. Impairment. Change in the condition or affairs, financial or otherwise, of the debtor or of any endorser, guarantor or surety for the liability of debtor to the secured party which in the opinion of the secured party impairs or decreases secured party's security.

6.5. Insolvency. Termination of business or commencement of any insolvency proceedings by or against debtor or if debtor becomes insolvent, or if debtor dies, or, if debtor is a partnership, the death of any partner.

6.6. The secured party deems or has reasonable cause to deem himself insecure.

Section 7. Remedies of Secured Party on Default.

7.1. Upon the occurrence of any event of default, the secured party may at his option and without prior notice declare all notes and other obligations of the debtor secured by this agreement immediately due and payable and shall have and may exercise each and all of the rights and remedies granted to him by the said notes, this agreement and the Uniform Commercial Code of Oregon. All remedies of the secured party shall be cumulative. If secured party's realization on the proceeds of the collateral exceeds the sums due to the secured party on debtor's obligations hereunder, the debtor shall be entitled to the surplus; otherwise, debtor shall pay to the secured party on the latter's demand any deficiency that there may be.

Section 8. General.

8.1. Waivers. The debtor waives demand, presentment, notice of dishonor and protest of any instrument either of debtor or others which may be included in the collateral or in the obligations secured hereby.

8.2. Consents. The debtor consents and agrees

(a) To any extension, postponement of time of payment, indulgence and to any substitution, exchange or release of collateral;

(b) To the addition to or release of any party or person primarily or secondarily liable, or acceptance of partial payments on any accounts or instruments and the settlement, compromise or adjustment thereof;

(c) If there be more than one debtor or a guarantor or co-maker of any note secured by this agreement, the obligation of each and all shall be primary and joint and several;

(d) Each note which this agreement secures is a separate instrument and may be negotiated, extended or renewed by the secured party without releasing the debtor, the collateral or any guarantor or co-maker.

(e) Should the secured party transfer his interest in said collateral, debtor will not assert as a defense, counter-claim, set-off or otherwise against secured party's assignee any claim, known or unknown, which debtor now has or claims to have or hereafter acquires against the secured party and further, in such event, each right herein given to the secured party shall accrue to and may be exercised by said assignee.

8.3. Duties With Respect To Collateral. The secured party shall have no duty

(a) To collect the collateral or any proceeds;

(b) To preserve rights of debtor or others against prior or other parties;

(c) To realize on the collateral in any particular manner or seek reimbursement from any particular source;

(d) To preserve, protect, insure or care for any of debtor's inventory.

8.4. Non-Waiver By Secured Party. Secured party shall not be deemed to have waived any of his rights under this or any other agreement or instrument signed by the debtor unless the waiver is in writing signed by the secured party. No delay in exercising secured party's rights shall be a waiver nor shall a waiver on one occasion operate as a waiver of such right on a future occasion.

8.5. Notices. Each demand, notice or other communication shall be served or given by mail addressed to the party at his address set forth herein or as changed by written notice to the other party, or by personal service upon the party or proper officer. Reasonable notice, when notice is required, shall be deemed to be five days from date of mailing.

8.6. Law Governing. All the terms herein and the rights, duties and remedies of the parties shall be governed by the laws of Oregon.

8.7. In construing this agreement, the singular includes the plural and the masculine pronoun includes the feminine and the neuter.

8.8. This contract shall bind and insure to the benefit of, as the circumstances may require, not only the immediate parties hereto but their respective heirs, executors, administrators, successors in interest and assigns.

Section 9. Special Terms and Conditions.

EXECUTED in duplicate.

Albers Country Store

2710 South 6th

Individual Secured Party

Benny W. Tofell and

Barbara K Tofell - husband & wife

Individual Debtor

Partnership or Corporate Secured Party

Partnership or Corporate Debtor

STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 8th day of February A.D., 19 80 at 9:55 o'clock A M., and duly recorded in Vol M80 of Liens Upon Chattels on Page 2560.

FEE \$14.00

WM. D. MILNE, County Clerk

By Bernice A. Peters Deputy