

T/A - # 38-21008-1

82736

Vol. M 80 Page 6270

THIS MORTGAGE, Made this 1st day of April, 19 80, by MEHMET AHMET and DONNA AHMET, husband and wife,

to ENVER BOZGOZ, Conservator of the Estate of Shirlene Ann Norwest, Mortgagor,

and no/100 (\$350,000.00) Dollars, to him paid by said mortgagee, does hereby grant, bargain, sell and convey unto said mortgagee, his heirs, executors, administrators and assigns, that certain real property situated in Klamath County, State of Oregon, bounded and described as follows, to-wit:

See Exhibit "A" attached.

Together with all and singular the tenements, hereditaments and appurtenances thereunto 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 a promissory note, of which the following is a substantial copy:

See Exhibit "B" attached

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

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 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 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. At the request of the mortgagee, the mortgagor shall join 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 title officers or searching agencies as may be deemed desirable by the mortgagee.

80 APR 9 AM 9 32

The mortgagor warrants that the proceeds of the loan represented by the above described note and this mortgage are:  
 (a) for the purchase of, or the improvement of, real property, or  
 (b) for an organization or (even if mortgagor is a natural person) are for business or commercial purposes other than agricultural purposes.

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 mortgagee at any time while the mortgagor neglects to repay any sums so paid by the mortgagee. 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, the feminine 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.

*John A. Ahmet*  
*Donna Ahmet*

\*IMPORTANT NOTICE: Delete, by lining out, whichever warranty, (a) or (b) is not applicable; if warranty (a) is applicable and if the mortgagee is a creditor, as such word is defined in the Truth-in-Lending Act and Regulation Z, the mortgagee MUST comply with the Act and Regulation by making required disclosures; for this purpose, if this instrument is to be a FIRST lien to finance the purchase of a dwelling, use Stevens-Ness Form No. 1305 or equivalent; if this instrument is NOT to be a first lien, use Stevens-Ness Form No. 1306, or equivalent.

# MORTGAGE

(FORM No. 100A)

TO

STATE OF OREGON,

County of

I certify that the within instrument was received for record on the day of \_\_\_\_\_, 19\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M., and recorded in book \_\_\_\_\_ on page \_\_\_\_\_ or as file number \_\_\_\_\_  
 Record of Mortgages of said County.  
 Witness my hand and seal of County affixed.

Title.

By

Deputy.

STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

T/A - So. 6th St.

STATE OF OREGON,

County of **KLAMATH**

BE IT REMEMBERED, That on this 3rd day of April, 1980, before me, the undersigned, a notary public in and for said county and state, personally appeared the within named **MEHMET AHMET and DONNA AHMET, husband and wife,**

known to me to be the identical individual **8** described in and who executed the within instrument and acknowledged to me that **they** executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

*Eileen J. Blaine*  
 Notary Public for Oregon.  
 My Commission expires 6-15-80

PROMISSORY NOTE

We, the undersigned, and each of us, MEHMET AHMET and DONNA AHMET, husband and wife, for value received, promise to pay to the order of ENVER BOZGOZ, Conservator of the Estate of SHIRLENE ANN NORWEST at Klamath Falls, Oregon, the sum of THREE HUNDRED FIFTY THOUSAND and no/100 (\$350,000.00) DOLLARS in lawful money of the United States of America, together with interest thereon at the rate of Fourteen Percent (14%) per annum on all unpaid balances hereunder in like lawful money.

This Note is secured by the following:

1. Certain Mortgage bearing even date covering that certain real property located in Klamath County, Oregon, described in said Mortgage, to which a copy of this note is attached.
2. Assignment of proceeds of certain litigation described in Exhibit "A" attached hereto.
3. Assignment of vendor's interest in a certain land sale contract described in Exhibit "A-1" attached hereto.

The obligation set out above in the sum of THREE HUNDRED FIFTY THOUSAND and no/100 DOLLARS (\$350,000.00) shall be paid in monthly installments as follows:

(1) On or before the first day of May, 1980, the sum of Four Thousand Eighty-Three and 53/100 Dollars (\$4,083.53) and on or before the first day of each month thereafter to and including April 1, 1982, a like amount and

(2) On or before the first day of May, 1982, the sum of

Six Thousand Eighty and 03/100 Dollars (\$6,080.03) and on or before the first day of each month thereafter until the full amount of principal and interest hereunder is paid a like amount.

It is the intention of the parties that the first twenty-four (24) payments herein provided shall be equal to the amount of interest due to the date of each payment and that all payments thereafter shall include interest at the rate per annum above specified. All payments made hereunder shall be applied first to any interest due at the time of said payment and the balance of any said payment shall then be applied to principal. The makers hereof shall have the right, at any time, to prepay any or all of the obligation represented by this note without penalty.

In the event of default by the makers of any payment due hereunder of either principal or interest, the holder hereof may, at his option, give notice of said default and if said default is not cured within thirty (30) days of receipt of said notice, the entire balance of principal and interest then due hereunder shall become immediately due and payable.

If a default occurs in the first twenty-four (24) months of the term of this note, the makers hereof agree to pay as late charges on any such delinquency a sum equal to \$1.57 per day for the period of the delinquency. On any delinquency occurring in the last eight (8) years of the term of this note, the makers hereof agree to pay as late charges the sum of \$2.33 per day for the period of said delinquency. An amortization schedule is attached hereto, marked Exhibit "B".

In the event of any default by makers, they agree to pay to the holder hereof reasonable attorney's fees incurred by the holder hereof in enforcing collection, including, but not limited to, any and all sums adjudged by a court of competent jurisdiction as reasonable attorney's fees in said litigation, including the cost of appeals thereof, if any.

As an integral of this loan transaction, the payee hereof has made a full disclosure to the makers of all charges against the loan proceeds made for the account of the makers and a copy of said disclosure is attached to this note, marked Exhibit "C" and by this reference incorporated herein.

DATED this \_\_\_\_\_ day of April, 1980.

\_\_\_\_\_  
Mehmet Ahmet

\_\_\_\_\_  
Donna Ahmet

A tract of land in the County of Klamath, State of Oregon,  
described as follows:

Beginning at a point on the Westerly right of way line of the New Dalles-California Highway which lies South 89° 49' East along the East-West center line of Section 7, Township 38 South, Range 9 East of the Willamette Meridian, a distance of 799 feet and South 11° 36' East along the Westerly right of way line of the above mentioned highway, a distance of 506.29 feet from the quarter section corner common to said Section 7, and Section 12, Township 38 South, Range 8 East of the Willamette Meridian; and running thence South 78° 24' West at right angles to the Westerly right of way line of said Highway a distance of 460.0 feet to a point; thence South 0° 06' East a distance of 300 feet to a point; thence South 89° 43' East a distance of 320.5 feet to a point; thence South 48° 36' East a distance of 112.7 feet to a point; thence South 32° 36' East a distance of 107.1 feet to a point; thence North 78° 24' East a distance of 100 feet to a point on the Westerly right of way line of above mentioned highway; thence North 11° 36' West along the Westerly right of way line of said Highway a distance of 550 feet, more or less to the point of beginning, being in the NW¼ of the SW¼ of Section 7, Township 38 South, Range 9 East of the Willamette Meridian.

EXCEPT that parcel of land conveyed to Donald Vanderhoff and Betty June Vanderhoff by deed dated March 12, 1954 and recorded April 12, 1954 in Volume 266 at page 331, Deed Records of Klamath County, Oregon.

ALSO EXCEPT that parcel of land conveyed to Albert W. Schmeck and Vada H. Schmeck, husband and wife and Arthur Andrew Rickbeil and Annie H. Rickbeil, also known as Helen Annie Rickbeil by Deed dated March 12, 1954 and recorded April 14, 1954 in Volume 266 at page 376, Deed Records of Klamath County, Oregon.

*Return to:  
The Milne*

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Transamerica Title Co.

this 4th day of April A. D. 1980 at 9:32 clock A.M., and  
duly recorded in Vol. M80, of Mortgages on Page 6270

Wm D. MILNE, County Clerk

Fee \$21.00

*Bernetha J. Hetch*

82737

82737

T/A # 38-21008-1

Vol. <sup>m</sup> 80 Page 82737

ASSIGNMENT FOR SECURITY

WHEREAS, MEHMET AHMET is a party to certain litigation pending in Klamath County, Oregon, being designated as Klamath County Circuit Court Docket No. 78-12L and in which the parties are Pacific Cascade Linen, Inc., an Oregon corporation, Plaintiff, vs. Matt Ahmet dba High Chapparral Motor Lodge, and Atlas Assurance Co., Ltd., an out-of-state corporation, and Unigard Mutual Insurance Company, a Washington corporation, Defendants, and

WHEREAS, MEHMET AHMET has filed in said litigation a cross-complaint against Atlas Assurance Co., Ltd. and Unigard Mutual Insurance Company, which cross-complaint contains two causes of action; the First Cause of Action being a demand in the sum of approximately \$104,770 and the Second Cause of Action being for general damages in the amount of approximately \$150,000, special damages of approximately \$9,356.28 and punitive and exemplary damages of approximately \$500,000 against each defendant; and

WHEREAS, said MEHMET AHMET wishes to pledge a portion of his recovery, if any, in the above described litigation,

NOW, THEREFORE, in consideration of a loan in the sum of \$350,000 by ENVER BOZGOZ, Conservator of the Estate of SHIRLENE ANN NORWEST, MEHMET AHMET does hereby grant, pledge, set over and assign to said ENVER BOZGOZ, Conservator, all of his right, title and interest in and to any and all proceeds to which he may become entitled to by virtue of recovery upon the Second Cause of Action in

the litigation above described, specifically excluding from this assignment any recovery which may be made on the First Cause of Action in said litigation for the full and faithful performance of that certain promissory note bearing even date, a copy of which is hereto attached, designated as Exhibit "A".

The net proceeds of any recovery received by MEHMET AHMET on said Second Cause of Action shall be forthwith applied to reduce, or pay in full, if sufficient to do so, the balance of principal and interest then due on the note above described. Payment of said proceeds to ENVER BOZGOZ, Conservator, as provided herein shall act as a full release and extinguishment of the assignment of MEHMET AHMET herein.

DATED this 3<sup>rd</sup> day of April, 1980.

  
Mehmet Ahmet

STATE OF OREGON     )  
County of Klamath   ) ss

BE IT REMEMBERED, That on this 3<sup>rd</sup> day of April, 1980 before me, the undersigned, a notary public in and for the said county and state, personally appeared the within named MEHMET AHMET, known to me to be the identical individual described in and who executed the within instrument and acknowledged to me that he executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.



  
  
Notary Public for Oregon  
My commission expires 6-13-80



Exhibit A

6278

PROMISSORY NOTE

We, the undersigned, and each of us, MEHMET AHMET and DONNA AHMET, husband and wife, for value received, promise to pay to the order of ENVER BOZGOZ, Conservator of the Estate of SHIRLENE ANN NORWEST at Klamath Falls, Oregon, the sum of THREE HUNDRED FIFTY THOUSAND and no/100 (\$350,000.00) DOLLARS in lawful money of the United States of America, together with interest thereon at the rate of Fourteen Percent (14%) per annum on all unpaid balances hereunder in like lawful money.

This Note is secured by the following:

1. Certain Mortgage bearing even date covering that certain real property located in Klamath County, Oregon, described in said Mortgage, to which a copy of this note is attached.
2. Assignment of proceeds of certain litigation described in Exhibit "A" attached hereto.
3. Assignment of vendor's interest in a certain land sale contract described in Exhibit "A-1" attached hereto.

The obligation set out above in the sum of THREE HUNDRED FIFTY THOUSAND and no/100 DOLLARS (\$350,000.00) shall be paid in monthly installments as follows:

- (1) On or before the first day of May, 1980, the sum of Four Thousand Eighty-Three and 33/100 Dollars (\$4,083.33) and on or before the first day of each month thereafter to and including April 1, 1982, a like amount and
- (2) On or before the first day of May, 1982, the sum of

Six Thousand Eighty and 03/100 Dollars (\$6,080.03) and on or before the first day of each month thereafter until the full amount of principal and interest hereunder is paid a like amount.

It is the intention of the parties that the first twenty-four (24) payments herein provided shall be equal to the amount of interest due to the date of each payment and that all payments thereafter shall include interest at the rate per annum above specified. All payments made hereunder shall be applied first to any interest due at the time of said payment and the balance of any said payment shall then be applied to principal. The makers hereof shall have the right, at any time, to prepay any or all of the obligation represented by this note without penalty.

In the event of default by the makers of any payment due hereunder of either principal or interest, the holder hereof may, at his option, give notice of said default and if said default is not cured within thirty (30) days of receipt of said notice, the entire balance of principal and interest then due hereunder shall become immediately due and payable.

If a default occurs in the first twenty-four (24) months of the term of this note, the makers hereof agree to pay as late charges on any such delinquency a sum equal to \$1.57 per day for the period of the delinquency. On any delinquency occurring in the last eight (8) years of the term of this note, the makers hereof agree to pay as late charges the sum of \$2.33 per day for the period of said delinquency. An amortization schedule is attached hereto, marked Exhibit "B".

In the event of any default by makers, they agree to pay to the holder hereof reasonable attorney's fees incurred by the holder hereof in enforcing collection, including, but not limited to, any and all sums adjudged by a court of competent jurisdiction as reasonable attorney's fees in said litigation, including the cost of appeals thereof, if any.

As an integral of this loan transaction, the payee hereof has made a full disclosure to the makers of all charges against the loan proceeds made for the account of the makers and a copy of said disclosure is attached to this note, marked Exhibit "C" and by this reference incorporated herein.

DATED this \_\_\_\_\_ day of April, 1980.

\_\_\_\_\_  
Mehmet Ahmet

\_\_\_\_\_  
Donna Ahmet

EXHIBIT "C"

ENVER BOZGOZ  
ATTORNEY AT LAW  
260 MAIN STREET  
KLAMATH FALLS, OREGON 97601  
—  
TELEPHONE 682-5505

6281

April 2, 1980

Transamerica Title Insurance Company  
600 Main Street  
Klamath Falls, Oregon 97601

Attention: Mr Andrew Patterson

Re: Order No. 38-21008

Dear Mr. Patterson:

Confirming those matters which we discussed at our meeting yesterday:

1. We discussed exception No. 4 to the title report and you expressed an opinion that you would like to continue it as an exception. This is not acceptable to the lender inasmuch as it is not a legitimate charge against the title. You are free to secure any documents you care to by way of release and we would be glad to cooperate with you to the extent we can.
2. You are to make a redemption from the funds deposited with you and at the time of redemption demand a deed as provided for in the Interlocutory Decree of Strict Foreclosure, but you are not responsible to secure the Deed prior to payment of the funds into the Court. We recognize that there may be some delay in getting a Deed. We, nevertheless wish you to make the redemption forthwith.
3. We discussed a possible claim by Bonome in regard to reimbursement to him for the period of this receivership. In this regard you are free to put in an exception to the title insurance policy in substantially the following wording:  
  
"Any claim of Bonome for compensation or reimbursement which may become due him by virtue of his receivership of the property"
4. Mr. Enver Bozgoz, by his signature on this letter specifically approves that no attorneys fees be paid him from this escrow.

Letter to Transamerica Title Insurance Company

6282

Page 2

The order of procedure is as follows:

5. You are to make the following disbursements:

a) Title insurance premium to yourself	\$845.00
b) Escrow fee to yourself	740.00
c) Recording and notary costs, etc. (estimated) (The excess, if any, to be paid to Ahmets)	100.00
d) Appraisal fee to Ray Bramwell, /to Bozgoz reimbursement	1,200.00
e) Attorney fee to Richard Beesley	3,000.00
f) Attorney fee to Robert Briggs	2,500.00

Designated as for the account of lender

6. You are to satisfy the following judgments:

a) 78-12L	45.90
b) 74-78L and 78-185L	1,200.00
c) 77-129L	
d) 77-130L	
e) 78-115L	4,500.00
f) 79-66L	2,383.00
g) 79-1082L	2,740.48
h) 78-669L	880.84

Except for (c) and (d) above, the Satisfaction should be secured forthwith. As to (c) and (d) you will be advised as to the compromised amount. If you are unable to secure all satisfactions on or before April 10, 1980 you are to notify Mr. Bozgoz. If he is unable to secure any satisfaction enumerated, you are instructed to pay up to the full amount indicated in your preliminary report.

7. You will be given further instructions in regard to disbursing an amount for insurance premium. (Estimated at \$3,000.00)

g) *Any to be paid to the Transamerica Co, Lake Orange, Or.*

*to be paid to the title company #546-2220, in*

*the amount of \$3,000.00*

25-7

Letter to Transamerica Title Insurance Company  
Page 3

6283

8. The order of recording:

- a) Memorandum of redemption immediately.
- b) Satisfaction of Judgments
- c) Mortgage
- d) Assignments

The deed of course should be recorded as soon as possible.  
After recording, fill in date and mail notice to Bonome.

9. You will deliver to Mr. Bozgoz on closing of escrow:

- a) Executed Promissory Note
- b) Recorded Mortgage
- c) Recorded assignments
- d) Title insurance policy in the amount of \$350,000.00, the

only exceptions being those set out in your preliminary report as  
exceptions 1, 2, 3, 6, 11. Judgments 77-388E, and the exception  
re: Bonome receivership.

Very respectfully yours,

Robert Briggs, Attorney for Enver  
Bozgoz Conservator of the Estate  
of Shirlene Norwest

Approved:

Enver Bozgoz

STATE OF OREGON; -COUNTY OF KLAMATH; ss.

Filed for record at request of Transamerica Title Co.

this 4th day of April A. D. 1980 at 9:32 clock A M., and

fully recorded in Vol. M80, of Deeds on Page 6276

Wm D. MILNE, County Clerk

By Bernice S. Ketch

Fee \$28.00

TR