



FRONTIER
TITLE & ESTATE CO.

3888

828

U.S. Creditcorp

Vol. 111

Page

15580

1655 SW Odem Medo
Redmond, Oregon 97756

MORTGAGE AND ASSIGNMENT OF SELLER'S INTEREST

Seller's Name: Edward M. Dorman Date: September 1st, 19 81
Redmond, Oregon
Seller's Address: Star Route 1 Box 70A
Chiloquin, Oregon 97624

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
9-17-80	Edward M. Dorman	Steven L. Houston Gay O. Houston	Klamath	M80	17663

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: All the real property situated in the County of Klamath, State of Oregon, more particularly described as follows

The South 1/2 of Lot 6 in Block 3 as shown on the map entitled "PLAT OF ALTAMONT ACRES", filed in the office of the County Recorder, Klamath County, State of Oregon.

2. **Indebtedness.** This agreement secures the payment of a promissory note ("Note") signed by Edward M. Dorman & Janie R. Dorman which is payable to USCC. The Note is dated September 1, 1981. The original Loan Amount is \$ 20,500.00, and the final payment of the entire unpaid Loan Amount, with interest, is due on August 25th, 1993.

USCC may without notice repeatedly renew or extend the Note and this Mortgage and Assignment of Seller's Interest shall secure such extensions and renewals whether or not the extensions and renewals are longer than the original period of the Note.

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:

None

("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 \$ 33,540.01 with interest from 08/17/81 and the next regular payment will be due on 09/17/81.

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 USCC may lawfully require. 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.

* (Insert "Seller" or name of Borrower if Seller and Borrower are not the same person.)

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.

X Edward M. Dorman
Edward M. Dorman

INDIVIDUAL ACKNOWLEDGEMENT

STATE OF OREGON

County of Klamath ss. Edward M. Dorman

Personally appeared the above-named Edward M. Dorman and acknowledged the foregoing Mortgage and Assignment of Seller's Interest to be his voluntary act and deed.

Before me:

[Signature]
Notary Public for Oregon
My commission expires: 5-6-84

September 1st 1981

CORPORATE ACKNOWLEDGEMENT

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of XXXXXX
this 2nd day of Sept A.D. 19 81 at 9:35 o'clock A.M. and
duly recorded in Vol. M-81 of Mtge on Page 15580

By [Signature] EV. LYN BIEHN, County Clerk
[Signature] Deputy

Fee: \$8.00