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46410MTC-14504-6  
Real Property Mortgage

Vol. 185 Page 3050

KNOW ALL MEN BY THESE PRESENTS: That The Four

Rivers Co. an Oregon corporation, for and in consideration of the sum of ten dollars and other valuable consideration have bargained and sold and by these presents do bargain sell and convey unto Donald O. Beck, Trustee, the following described real property situated within Klamath County, Oregon, to wit: Township 36<sup>th</sup> South, Range 13 East, W.M.:

Section 9: All  
Section 10: The SW $\frac{1}{4}$  NW $\frac{1}{4}$ ; the E $\frac{1}{2}$  SW $\frac{1}{4}$ ; and SE $\frac{1}{4}$   
Section 14: The S $\frac{1}{2}$  S $\frac{1}{2}$   
Section 15: All  
Section 16: All  
Section 22: The NE $\frac{1}{4}$ ; the N $\frac{1}{2}$  NW $\frac{1}{4}$ ; and the SW $\frac{1}{4}$  NW $\frac{1}{4}$   
Section 23: The N $\frac{1}{2}$  NE $\frac{1}{4}$ ; and the NW $\frac{1}{4}$

Including all leases, permits, licenses or privileges, written or otherwise, appurtenant or nonappurtenant to said mortgaged premises, now held by mortgagors or hereafter issued, extended or renewed to them by the United States or the State or any department, bureau, or agency thereof, which have been or will be assigned or waived to mortgagee.

Together with the tenements, hereditaments, rights, privileges and appurtenances, including private roads, now or hereafter belonging to or used in connection with the above described premises; and all plumbing, lighting, heating cooling, ventilating, elevating, watering and irrigating apparatus and other fixtures, now or hereafter belonging to or used in connection with the above described premises, all of which are hereby declared to be appurtenant to said land; and together with all waters and water rights of every kind and description and however evidenced, and all ditches or other conduits, rights therein

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and rights of way therefor, which now are or hereafter may be appurtenant to said premises or any part thereof, or used in connection therewith.

This conveyance is intended as a mortgage to secure the payment of the sum of \$275,000.00 in accordance with the terms of a certain promissory note of even date of which the following is a substantial copy, to wit:

# PROMISSORY NOTE

Klamath Falls, Oregon  
February 28, 1985

\$275,000.00

The Four Rivers Co., an Oregon corporation, do hereby jointly and severally promise to pay to the order of Donald O. Beck, Trustee, at P.O. Box 79, Tahoe Vista, California 95732, the sum of Two Hundred Seventy Five Thousand Dollars with interest thereon at the rate of 12 percent per annum from date of this instrument until paid, payable in quarterly installments of \$15,000.00 or more plus interest to date of such payment computed at the rate of 12 percent per annum; the first payment shall be due 90 days from the date of this instrument and on the same date in August and November of 1985, and February 1986, and on the same date in May, August, November 1986, and February, May, August, and November 1987; on the quarterly date in February 1988, the entire balance of interest and principal shall be due and payable.

In the event an installment of principal is not paid within 15 days of the due date there shall be added a 5 percent late payment penalty of the principal amount then due until also paid. In the event said penalty shall come into existence then in that event the deferred principal balance shall thereafter be due and payable at the rate of \$5,000.00 per month on the monthly anniversary date set forth in this instrument and said monthly payments shall continue for the life of this instrument. The 5 percent late payment penalty shall also apply to any future delinquent principal payments during the life of this instrument.

If any interest payment be not paid within 15 days from the due date said delinquent interest shall be added to the principal sum of this obligation and shall thereafter bear interest as principal and shall increase the amount of the quarterly or monthly payment accordingly.

If the debtors shall sell, convey or alienate said property, or any part thereof, or any interest therein, or shall be divested of title or any interest therein in any manner or way, whether voluntarily or involuntarily without the written consent of the holder of this note being first obtained, the holder of this note shall have the right at its option, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any note evidencing the same, immediately due and payable.

In the event any such payment is not so paid, all principal and interest, at the option of the holder of this note, to become immediately due and collectible without further declaration. Any part hereof may be paid at anytime. If this note is placed in the hands of an attorney for col-

lection, I/we promise and agree to pay holder's reasonable attorney fees and collection costs, even though no suit or action is filed hereon; if a suit or an action is filed, the amount of such reasonable attorney's fees shall be fixed by the court or courts in which the suit or action, including any appeal therein, is tried, heard or decided.

The Four Rivers Co., an Oregon corporation

By: Paul Hindelang

President

Attest: Nancy D. Portwood

Secretary

In consideration of the creation of the indebtedness shown above, the undersigned, Paul E. Hindelang does hereby, at the time of execution and delivery of this promissory note, guarantee the payment of the foregoing obligation in full. Upon any default of maker the undersigned does agree to pay the holder of this promissory note, upon demand, the entire amount of the indebtedness to the full extent of this guarantee, if necessary with an obligation on the part of the holder to first endeavor to collect from the proceeds of any collateral. This guarantee shall continue in full force and effect for the life of this instrument. This guarantee is likewise assignable and the payee's rights hereunder shall automatically enure to the benefit of and be enforceable by the assignee of the indebtedness herein guaranteed. All liability hereunder is joint and several. The undersigned hereby waives presentment, protest, demand and notice of non-payment of any part of said sum or of interest due thereon and also notice of every kind.

Paul Hindelang  
Paul E. Hindelang.

The date of maturity of the debt secured by this mortgage is the date on which the last scheduled principal payment becomes due, to wit, February 28, 1988.

The mortgagors covenant and agree:

That they are lawfully seized of said premises in fee simple, have good right and lawful authority to convey and mortgage the same, and that said premises are free from encumbrance; and each of the mortgagors will warrant and defend the same forever against the lawful claims and demands of all persons whomsoever, and this covenant shall not be extinguished by any foreclosure hereof, but shall run with the land.

To pay all debts and money secured hereby when due.

To keep the buildings and other improvements now or hereafter existing on said premises in good repair, to complete without delay the construction on said premises of any building, structure or improvement in progress, any improvements to existing structures in progress, and any improvements or remodeling for which the loan hereby secured was granted in whole or in part; not to remove or demolish or permit the removal or demolition of any building thereon; to restore promptly in a good and workmanlike manner any building, structure or improvement thereon which may be damaged or destroyed; to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property and its use; not to use or permit the use of said premises for any unlawful or objectionable purpose; not to cut or permit the cutting of timber from said premises except for domestic use; to maintain and cultivate the premises in good and husbandlike manner, using approved methods of preserving the fertility thereof; to keep the orchards on said lands properly irrigated, cultivated, sprayed, pruned and cared for; not to commit or

suffer waste of any kind upon said premises; and to do all acts or things necessary to preserve all water rights now or hereafter appurtenant to or used in connection with said premises.

To pay before delinquency all taxes, assessments and other charges upon said premises, all assessments upon water company stock, and all rents, assessments and charges for water appurtenant to or used in connection with said property; and to suffer no other encumbrance, charge or lien against said premises which is superior to this mortgage.

To keep all buildings now existing or hereafter erected continuously insured against loss or damage by fire and such other risks in manner and form and in such company or companies and in such amounts as shall be satisfactory to the mortgagee; to pay all premiums and charges on all such insurance when due; to deposit with the mortgagee upon request all insurance policies affecting the premises, with receipts showing payment of all premiums and charges affecting said policies; and that all insurance whatsoever affecting the premises shall be made payable, in case of loss, to the mortgagee, with a loss payable clause in favor of and satisfactory to the mortgagee. The mortgagee shall be entitled to receive the proceeds of any loss under any such policy which may be applied by the mortgagee upon the indebtedness hereby secured in such manner as mortgagor may elect. Mortgagor has the right to elect to apply such proceeds to rebuild such improvements.

If any of the mortgaged property shall be taken under right of eminent domain, the mortgagee shall be entitled at its option to receive all compensation for the portion taken and damages to the remaining portion, to be applied by the mortgagee upon the indebtedness hereby secured in such manner as it shall elect.

Should the mortgagors be or become in default in any of the covenants or agreements herein contained, then the mortgagee (whether electing to declare the whole indebtedness hereby secured due and payable or not) may, at its option, perform the same in whole or in part and all expenditures made by the mortgagee in so doing, together with interest and costs, shall be immediately repayable by the mortgagors without demand, shall be secured by this mortgage, and shall draw interest until paid at the default rates provided for in the note hereby secured.

Time is material and of the essence hereof; and in case of breach of any of the covenants or agreements hereof, or if default be made in the payment of any of the sums hereby secured, or if the whole or any portion of said loan shall be expended for purposes other than those specified in the original application therefor except, by the written permission of said mortgagee, or if said land or any portion thereof shall be hereafter included in any special assessment district, then, in any such case, all indebtedness hereby secured, shall, at the election of the mortgagee, become immediately due without notice, and this mortgage may be foreclosed; but the failure of the mortgagee to exercise such option in any one or more instances shall not be considered as a waiver or relinquishment of the right to exercise such option upon or during the continuance of the same or any other default.

In case of any suit to foreclose this mortgage or to collect any charge growing out of the debt hereby secured, or any suit which the mortgagee may deem it necessary to prosecute or defend to effect or protect the lien hereof, the mortgagors agree to pay a reasonable sum as attorney's fees and all costs and legal expenses in connection with said suit at all court levels, and further agree to pay the reasonable costs of searching records and abstracting or insuring the title, and such sums shall be secured hereby and included in the decree of foreclosure.

Upon or during the continuance of any default hereunder, the mortgagee shall have the right forthwith to enter into and upon the mortgaged premises and take possession thereof, and collect the rents, issues and profits thereof, and apply the same, less reasonable costs of collection, upon the indebtedness hereby secured, and the mortgagee shall have the right to the appointment of a receiver to collect the rents, issues and profits of the mortgaged premises. The rents, issues and profits of said premises after default are hereby assigned and mortgaged to the mortgagee as additional security for the indebtedness herein described.

The covenants and agreements herein contained shall extend to and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto.

WHEREAS, Mortgagors have assigned or waived, or will assign or waive to the Mortgagee, as additional security for the indebtedness described herein, certain grazing leases, permit, licenses and/or privileges, to-wit:

#### U.S. Forest Service Grazing Permit

Mortgagors covenant and agree that they are the lawful owners and holders thereof and that they are free from encumbrance and have not been assigned; and Mortgagors further covenant and agree to procure renewals thereof upon or prior to their expiration date, to execute any instrument deemed by the Mortgagee necessary to effect an assignment or waiver of such renewals to the Mortgagee, and to pay all fees and charges, and to perform all acts and things necessary to preserve and keep in good standing all of said leases, permits, licenses and/or privileges, and all renewals thereof; and they will take no action which would adversely affect any of such rights or their preference status thereunder and that in the event of foreclosure of this mortgage they will waive all claims for preference in any of such rights upon demand from the purchaser of the mortgaged property at foreclosure sale, or any successor to such purchaser; and further agree that the lands covered by said leases, permits, licenses and/or privileges and renewals thereof, shall at all times be operated in conjunction with the lands hereby mortgaged, and that neither shall be transferred to any other person separately from the other. Any leases, permits, licenses and/or privileges which the Mortgagor, with the consent of the Mortgagee, shall substitute for those hereinabove mentioned, shall be subject to the provision hereof. For any breach by Mortgagors of any covenant or



agreement in this paragraph contained, the Mortgagee shall have the same and/or remedies as are available to it for the breach of any other covenant or agreement of the Mortgagors in this mortgage contained, including but not limited to the right to declare the entire mortgage debt due and payable.

Mortgagors also covenant and agree that the terms and provisions of this rider, and the waiver or assignment of mortgagors' interest in said leases, permits, licenses and/or privileges shall also apply and be binding on mortgagors with respect to any extended, supplemental, additional, or other related mortgage transaction made with respect to this loan.

As used herein, any reference to mortgage, Mortgagor, Mortgagee, or mortgaged shall also be construed to mean deed of trust, Grantor, Beneficiary, or conveyed, respectively.

The loan secured by this mortgage is personal to the mortgagor. If the loan is made upon property occupied or to be occupied by the mortgagor, such occupancy is a material inducement to mortgagee to make said loan. If title to said property shall pass from mortgagor by deed or otherwise or said property shall be sold on contract, or if the property shall be vacated by the mortgagor, then such change in title or occupancy shall be deemed to increase the risk of mortgagee and mortgagee may declare the entire unpaid balance immediately due and payable or, at mortgagee's sole option, mortgagee may consent to said change in title or occupancy and may increase the interest rate of said loan not to exceed two percent per annum to compensate for such increased risk. Such increase in interest shall entitle the mortgagee to increase the installment payments on the loan so as to retire the obligation in the remaining term of the original note and mortgage.

Mortgagor shall provide mortgagee with proof of fire insurance as provided for at all times.

In case suit or action is instituted regarding the terms of this transaction and this mortgage the prevailing party shall be entitled to reasonable attorney's fees including any appeal therefrom.

DATED:

ATTEST:

*Nancy Portwood*  
Secretary.

THE FOUR RIVERS CO., an Oregon Corporation

By

*Paul Hindelang* ss.

STATE OF OREGON, COUNTY of *Klamath*  
The foregoing instrument was acknowledged before me this  
\_\_\_\_\_, 1985, by *PAUL E. HINDELANG, Pres., and NANCY PORTWOOD,*  
\_\_\_\_\_, of THE FOUR RIVERS CO., an Oregon Corporation,  
Sec. \_\_\_\_\_  
on behalf of the Corporation.

*Jade Stelle*  
Notary Public for Oregon,  
My Commission Expires *7/13/88*

Return: MFC

STATE OF OREGON: COUNTY OF KLAMATH:ss  
I hereby certify that the within instrument was received and filed for  
record on the *28th* day of *February* A.D., 1985 at *4:43* o'clock P *M*,  
and duly recorded in Vol *M85*, of *Mortgages* on page *3050*.

EVELYN BIEHN, COUNTY CLERK  
by: *B. Smith*, Deputy

Fee: \$ *29.00*