

50552

K-37759

Vol. M85 Page 10131

THIS INDENTURE, Made this 24th day of June, 1985,
 between Sycan River Ranch Partnership
 as mortgagor, and First Interstate Bank of California as mortgagee,

WITNESSETH, That the said mortgagor for and in consideration of the sum of Four Hundred Fifty
One Thousand Eight Hundred Sixty-Two and no/100 Dollars (\$451,862.00) to him
 paid by the said mortgagee, does hereby grant, bargain, sell and convey unto the said mortgagee, his successors
 and assigns, those certain premises situated in the County of Klamath, and State of Oregon,
 and described as follows:

The following described real property situate in Klamath County, Oregon:

PARCEL 1:

SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 27, Township 35 South, Range 12 East of the Willamette Meridian

PARCEL 2:

Township 35 South, Range 12 East of the Willamette Meridian:

Section 14: E $\frac{1}{2}$ NW $\frac{1}{4}$

Section 21: S $\frac{1}{2}$ N $\frac{1}{2}$ NE $\frac{1}{4}$; S $\frac{1}{2}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$; SE $\frac{1}{2}$ NW $\frac{1}{4}$; SE $\frac{1}{2}$ SW $\frac{1}{4}$; NE $\frac{1}{2}$ SW $\frac{1}{4}$; lying East of the center of the
 main channel of the Sycan River.

Section 22: All

Section 23: W $\frac{1}{2}$ W $\frac{1}{2}$ and all that portion of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ and E $\frac{1}{2}$ NW $\frac{1}{4}$ lying Westerly of the
 Westerly right of way line of Indian Service Road S-65.

Section 26: W $\frac{1}{2}$ NW $\frac{1}{4}$; W $\frac{1}{2}$ W $\frac{1}{2}$ SW $\frac{1}{4}$

Section 27: W $\frac{1}{2}$; N $\frac{1}{2}$ NE $\frac{1}{4}$; N $\frac{1}{2}$ SE $\frac{1}{4}$; SW $\frac{1}{2}$ SE $\frac{1}{4}$; E $\frac{1}{2}$ SE $\frac{1}{2}$ SE $\frac{1}{4}$

Section 28: N $\frac{1}{2}$ NE $\frac{1}{4}$

Section 35: N $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$; N $\frac{1}{2}$ S $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$; SAVINGS AND EXCEPTING a tract of land situated in the
 NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 35 Township 35 S., R. 12 E.W.M., more particularly de-
 scribed as follows: Beginning at a 5/8 inch iron pin on the Northerly line
 of the Godowa Springs Road, said point being North 11002'24" East a distance
 of 4422.31 feet from the iron bolt marking the Southwest corner of said Section
 35; thence North 58908' East along the Northerly line of said road a distance
 of 225.00 feet to a 5/8 inch iron pin; thence North a distance of 104.00
 feet to a 5/8 inch iron pin in a fence line; thence South 82°18' West along
 said fence line a distance of 192.83 feet to a 5/8 inch iron pin; thence
 South a distance of 196.95 feet, more or less, to the point of beginning,
 containing 0.66 acres, more or less. The bearings of the above described
 tract of land are based on the survey maps by Smith & Westvold, Engineering &
 Surveying, as recorded in the office of the Klamath County Surveyor on
 February 27, 1961, and September 19, 1962.

ST JUL 1 PM 3 '85

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 successors and assigns forever.

THIS CONVEYANCE is intended as a mortgage to secure the payment of the sum of Four Hundred Fifty-One Thousand, Eight Hundred Sixty-Two and no/100 ----- Dollars (\$451,862.00) in accordance with the terms of those ----- certain promissory note of which the following is substantially a true copy, to-wit:

SEE ATTACHED EXHIBITS A,B,& C



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: November 01, 1985.

In the event of any suit or action being instituted to foreclose this mortgage, the losing party agrees to pay such sum as the trial court may adjudge reasonable as attorney's fees to be allowed the prevailing party in such suit or action and in the event of any appeal, the losing party agrees to pay such sum as the appellate court shall adjudge reasonable as the prevailing party's attorney's fees on such appeal; in any event the mortgagor agrees to pay all reasonable costs incurred by the mortgagee for title reports and title search, all such sums to be secured by the lien of this mortgage and included in the decree of foreclosure.

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 shall be taken to mean and include the plural, the masculine pronoun shall mean 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, the mortgagor has executed this instrument this _____ day of _____, 19____; if a corporate mortgagor, it has caused its name to be signed and seal affixed by its officers, duly authorized thereto by order of its board of directors.

William J. Pendola, Jr.
William J. Pendola, Jr.

Margaret R. Pendola
Margaret R. Pendola

STATE OF CALIFORNIA,

ss.

County of Nevada
On this 24 day of June in the year 1985

before me Jerald F. Russell

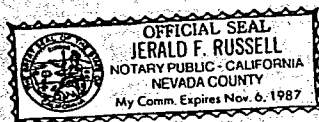
a Notary Public, State of California, duly commissioned and sworn, personally appeared
William J. Pendola, Jr. and

Margaret R. Pendola

personally known to me (or proved to me on the basis of satisfactory evidence) to be one of the partners of the partnership that executed the within instrument, and acknowledged to me that such partnership executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal,
in the _____ County of Nevada on the date set forth above in this certificate.

Jerald F. Russell
Notary Public, State of California.
My Commission Expires Nov. 6, 1987



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Cowdery's Form No. 29 (Acknowledgment to Notary Public—Partnership) (C.C. Sec. 1190A.)

STATE OF CALIFORNIA

COUNTY OF NEVADA

ss.

On this 24TH day of JUNE in the year 1985

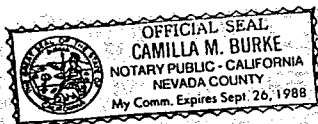
CAMILLA M. BURKE

before me,
duly commissioned and sworn, personally appeared
WILLIAM J. PENDOLA, JR.

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name IS subscribed to this instrument, and acknowledged that he executed it.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal
in the CITY OF GRASS VALLEY County of NEVADA on the date set forth above in this certificate.

Camilla M. Burke
Notary Public, State of California
My commission expires SEPT. 26, 1988



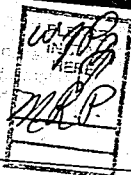
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Cowdery's Form No. 32 — Acknowledgement to Notary Public — Individuals — (C.C. Sec. 1189) — (Rev. 1/83)



EXHIBIT "A"

FLOATING PRIME RATE NOTE



10135

\$ 78,750.00**

Grass Valley

California

June 24,

1985

On Demand, or if no Demand is made, then on Nov. 01, 1985 after date, for value received, undersigned promises to pay to the order of FIRST INTERSTATE BANK OF CALIFORNIA ("Bank") at its Office, at 10428 Brunswick Rd., Grass Valley Ca. the sum of Seventy-Eight Thousand Seven Hundred Fifty & no/100 Dollars (\$ 78,750.00), with interest, payable monthly without notice to the undersigned. Interest hereof on the unpaid principal balance until maturity, acceleration or demand, according to the tenor hereof, at a floating rate per annum equal to 1.25% OVER prime rate ("Prime Rate"), but in no event shall said floating rate exceed the maximum rate permitted by applicable law. Any change in such floating rate shall be effective Next Business Day following change after maturity, acceleration or demand shall be payable at a rate per annum equal to ***** without notice to the undersigned. Interest on the floating rate charged on the date of such maturity, acceleration or demand, but in no event shall the rate exceed the maximum rate permitted by applicable law. Interest shall be calculated on the basis of a 365-day year, and actual days elapsed from date until paid. If the interest is not paid when due, it shall thereafter bear interest in the same manner and at the same rate as principal.

Upon the occurrence, with respect to the undersigned, or any endorser or guarantor, of any of the following events, any one of which shall constitute an event of default:

- The nonpayment when due of this Floating Prime Rate Note or any other obligation of any nature or description to Bank;
 - The death, failure in business, dissolution or termination of existence of any of them;
 - Any petition in bankruptcy being filed by or against any of them or any proceedings in bankruptcy, insolvency or under any other laws relating to the relief of debtors, being commenced for the relief or readjustment of any indebtedness of any of them, either through reorganization, composition, extension or otherwise;
 - The making by any of them of an assignment for the benefit of creditors;
 - The appointment of a receiver of any property of any of them;
 - Any seizure, vesting of rights of or intervention by or under any authority of any government, by which the management of any of them is displaced or the authority of any of them in the conduct of their business is curtailed;
 - The entry of a judgment against any of them;
 - The attachment or distraint of any funds or other property of any of them which may be in, or come into, the possession or control of Bank, or of any third party acting for Bank, or the same funds or property becoming subject at any time to any mandatory order of court or other legal process;
 - The failure to furnish timely financial information or to permit inspection of books or records;
 - The making of any misrepresentation to Bank in obtaining credit by the undersigned; or
 - In Bank's opinion, the impairment of the financial responsibility of any of them;
 - at any time after the happening of any such event of default, this Floating Prime Rate Note and any other obligations to Bank of the undersigned and/or any endorser or guarantor, whether created directly or acquired by assignment, whether absolute or contingent, shall forthwith be due and payable, without demand upon or notice to the undersigned or any endorser or guarantor.
- Both principal and interest on this Floating Prime Rate Note are payable in lawful currency of the United States of America without deduction for or on account of any present or future taxes, duties or other charges levied or imposed on this Floating Prime Rate Note or the proceeds or holder thereof by any government or any political subdivision or taxing authority thereof.
- In the event this Floating Prime Rate Note is placed in the hands of an attorney for collection, the undersigned and any endorser or guarantor agree to pay all costs and expenses of Bank, including reasonable attorneys' fees. The term "reasonable attorneys' fees" shall be construed to include reasonable attorneys' fees incurred in any and all judicial, bankruptcy and other proceedings (including appellate level proceedings) whether such proceedings arise before or after entry of a final judgment and whether or not suit be brought.
- All extensions of time for payment, whether by operation of law, judicial proceedings, or otherwise, shall be included in the computation of interest.

All obligations herein shall be the individual obligation of the undersigned unless requisite corporate action has been taken to make this Floating Prime Rate Note an enforceable corporate obligation, and all obligations herein shall be construed as the joint and several obligations of each of the undersigned where there is more than one.

The undersigned and any endorser or guarantor hereby waives diligence, demand, presentment for payment, protest and notice of nonpayment. This Floating Prime Rate Note shall be governed and construed in accordance with the laws of the State of California.

Dated this 24th day of June, 19 85

Sycan River Ranch Partnership

Name of Borrower _____

William J. Pendola, Jr., Partner

NAME SYCAN RIVER RANCH PARTNERSHIP				LOAN NUMBER 0735-000754		DUE November 01, 1985	
RATE **	CODE	AMOUNT \$78,750.00		CCI NUMBER 002752053		PRODUCT LINE	PURPOSE CODE

First Interstate Banks Prime Plus 1.25% OVER	\$78,750.00	0
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For value received, I hereby endorse and guarantee the payment of the note on the reverse hereof, at the terms and conditions set forth in the terms expressed therein, with all costs of collection, including reasonable attorneys' fees in any action on said note, on the guarantee and authorize the granting of extension of the note to any other obligors and alterations and amendments of any instruments securing said note and sales of and the taking of any security, including the discharging or releasing of any party or parties, and the making of compositions or other arrangements with the maker or principal, all without notice to me and same shall not affect my liability. I hereby waive the right to require the holder of this note to proceed against the maker, any other party or to proceed against or apply any security the holder may hold, and I hereby agree that the holder may proceed against me for the amount hereby guaranteed without proceeding against the maker or any other party and without proceeding against or applying any security the holder may hold. Each of the undersigned persons who executes this guarantee hereby ratifies and assents to the liability of any separate property of that person now owned or hereafter acquired for any and all debts and obligations owed to the holder of this note secured by any mortgages, deed of trust or other hypothecation of any of the community property. This guarantee shall be construed as the joint and several obligations of each of the undersigned where there is more than one. Demand, defence, presentment, payment, notice of nonpayment, and protest are waived.

[illegible]



FLOATING PRIME RATE NOTE

\$ **216,615.00*****

Grass Valley, California

June 24, 1985

On Demand or if no demand is made, then on Nov. 1, 1985 after date, for value received, undersigned promises to pay to the order of FIRST INTERSTATE BANK OF CALIFORNIA ("Bank") at its Grass Valley & no/100 Office at Grass Valley, CA the sum of Two Hundred Sixteen Thousand Six Hundred Fifteen Dollars (\$ 216,615.00****), with interest, payable monthly from the date hereof, on the unpaid principal balance until maturity, acceleration or demand, according to the tenor hereof, at a floating rate per annum equal to 1.25% over Bank's interest rate which from time to time is announced by Bank as its prime rate ("Prime Rate"), but in no event shall said floating rate exceed the maximum rate permitted by applicable law. Any change in such floating rate shall be effective Next business day following change without notice to the undersigned. Interest

after maturity, acceleration or demand shall be payable at a rate per annum equal to _____ the floating rate charged on the date of such maturity, acceleration or demand, but in no event shall the rate exceed the maximum rate permitted by applicable law. Interest shall be calculated on the basis of a 360-day year and actual days elapsed from date until paid. If the interest is not paid when due, it shall thereafter bear interest in the same manner and at the same rate as principal.

Upon the occurrence, with respect to the undersigned, or any endorser or guarantor, of any of the following events, any one of which shall constitute an event of default:

- The nonpayment when due of this Floating Prime Rate Note or any other obligation of any nature or description to Bank;
 - The death, failure in business, dissolution or termination of existence of any of them;
 - Any petition in bankruptcy being filed by or against any of them or any proceedings in bankruptcy, insolvency or under any other laws relating to the relief of debtors, being commenced for the relief or readjustment of any indebtedness of any of them, either through reorganization, composition, extension or otherwise;
 - The making by any of them of an assignment for the benefit of creditors;
 - The appointment of a receiver of any property of any of them;
 - Any seizure, vesting of rights of or intervention by or under any authority of any government, by which the management of any of them is displaced or the authority of any of them in the conduct of their business is curtailed;
 - The entry of a judgment against any of them;
 - The attachment or distraint of any funds or other property of any of them which may be in, or come into, the possession or control of Bank, or of any third party acting for Bank, or the same funds or property becoming subject at any time to any mandatory order of court or other legal process;
 - The failure to furnish timely financial information or to permit inspection of books or records;
 - The making of any misrepresentation to Bank in obtaining credit by the undersigned; or
 - In Bank's opinion, the impairment of the financial responsibility of any of them;
- then, at any time after the happening of any such event of default, this Floating Prime Rate Note and any other obligations to Bank of the undersigned and/or any endorser or guarantor, whether created directly or acquired by assignment, whether absolute or contingent, shall forthwith be due and payable, without demand upon or notice to the undersigned or any endorser or guarantor.

Both principal and interest on this Floating Prime Rate Note are payable in lawful currency of the United States of America without deduction for or on account of any present or future taxes, duties or other charges levied or imposed on this Floating Prime Rate Note or the proceeds or holder thereof by any government or any political subdivision or taxing authority thereof.

In the event this Floating Prime Rate Note is placed in the hands of an attorney for collection, the undersigned and any endorser or guarantor agree to pay all costs and expenses of Bank, including reasonable attorneys' fees. The term "reasonable attorneys' fees" shall be construed to include reasonable attorneys' fees incurred in any and all judicial, bankruptcy and other proceedings (including appellate level proceedings) whether such proceedings arise before or after entry of a final judgment and whether or not suit be brought.

All extensions of time for payment, whether by operation of law, judicial proceedings, or otherwise, shall be included in the computation of interest.

10138

Name of Borrower

William J. Pendola, Jr., Partner

**	\$216,615.00
First Interstate Banks Prime Plus 1.25% OVER	

[illegible][illegible]



FLOATING PRIME RATE NOTE



10139

\$ 156,497.00**

Grass Valley, California

On Demand, or if no Demand is made, then on Nov. 01, 1985 June 24, 1985

to pay to the order of FIRST INTERSTATE BANK OF CALIFORNIA ("Bank") at its Office, at Grass Valley, California Dollars (\$ 156,497.00), with interest, payable Monthly the sum of One Hundred Fifty-Six Thousand Four Hundred Ninety Seven and no/100

hereof on the unpaid principal balance until maturity, acceleration or demand, according to the tenor hereof, at a floating rate per annum equal to 1.25% OVER Bank's interest rate which from time to time is announced by Bank as its prime rate ("Prime Rate"), but in no event shall said floating rate exceed the maximum rate permitted by applicable law. Any change in such floating rate shall be effective Next Business Day Following Change without notice to the undersigned. Interest after maturity, acceleration or demand shall be payable at a rate per annum equal to ***** the floating rate charged on the date of such maturity, acceleration or demand, but in no event shall the rate exceed the maximum rate permitted by applicable law. Interest shall be calculated on the basis of a 360-day year and actual days elapsed from date until paid. If the interest is not paid when due, it shall thereafter bear interest in the same manner and at the same rate as principal.

Upon the occurrence, with respect to the undersigned, or any endorser or guarantor, of any of the following events, any one of which shall constitute an event of default:

- The nonpayment when due of this Floating Prime Rate Note or any other obligation of any nature or description to Bank;
 - The death, failure in business, dissolution or termination of existence of any of them;
 - Any petition in bankruptcy being filed by or against any of them or any proceedings in bankruptcy, insolvency or under any other laws relating to the relief of debtors, being commenced for the relief or readjustment of any indebtedness of any of them, either through reorganization, composition, extension or otherwise;
 - The making by any of them of an assignment for the benefit of creditors;
 - The appointment of a receiver of any property of any of them;
 - Any seizure, vesting of rights of or intervention by or under any authority of any government, by which the management of any of them is displaced or the authority of any of them in the conduct of their business is curtailed;
 - The entry of a judgment against any of them;
 - The attachment or restraint of any funds or other property of any of them which may be in, or come into, the possession or control of Bank, or of any third party acting for Bank, or the same funds or property becoming subject at any time to any mandatory order of court or other legal process;
 - The failure to furnish timely financial information or to permit inspection of books or records;
 - The making of any misrepresentation to Bank in obtaining credit by the undersigned; or
 - In Bank's opinion, the impairment of the financial responsibility of any of them;
- then, or at any time after the happening of any such event of default, this Floating Prime Rate Note and any other obligations to Bank of the undersigned and/or any endorser or guarantor, whether created directly or acquired by assignment, whether absolute or contingent, shall forthwith be due and payable, without demand upon or notice to the undersigned or any endorser or guarantor.

Both principal and interest on this Floating Prime Rate Note are payable in lawful currency of the United States of America without deduction for or on account of any present or future taxes, duties or other charges levied or imposed on this Floating Prime Rate Note or the proceeds or holder thereof by any government or any political subdivision or taxing authority thereof.

In the event this Floating Prime Rate Note is placed in the hands of an attorney for collection, the undersigned and any endorser or guarantor agree to pay all costs and expenses of Bank, including reasonable attorneys' fees. The term "reasonable attorneys' fees" shall be construed to include reasonable attorneys' fees incurred in any and all judicial, bankruptcy and other proceedings (including appellate level proceedings) whether such proceedings arise before or after entry of a final judgment and whether or not suit be brought.

All extensions of time for payment, whether by operation of law, judicial proceedings, or otherwise, shall be included in the computation of interest.

ersigned
10140

The undersigned and any endorser of guarantor hereby waives diligence, demand, notice of default and notice of acceleration in connection with the Rate Note and the Floating Rate Note shall be governed and construed in accordance with the laws of the State of California.
This Floating Prime Rate Note shall be dated 24th day of June, 19 85.

Sycan River Ranch Partnership
Name of Borrower

William J. Pendola Jr., Partner

SYCAN RIVER RANCH PARTNERSHIP		LOAN NUMBER 0735-000739		DUE November 01, 1985	
CCI NUMBER 002752053		PRODUCT LINE		PURPOSE CODE	
RATE **	CODE	AMOUNT \$156,497.00	BALANCE OF PRIN UNPAID		
Banks Prime Rate +1.25% OVER		PAYMENTS CREDITED ON			
DATE PAID	INTEREST PAID TO	INTEREST	PRINCIPAL		

[illegible]

SYCAN RIVER		AMOUNT
RATE	CODE	\$156,497.00
**		

First Interstate Banks Prime Rate + 1.25% OVER

[illegible]

10141

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record

this 1st day of July A. D. 19 85 at 3:46 o'clock P M., and
duly recorded in Vol. M85, of Mortgages on Page 10131

By EVELYN BIEHN, County Clerk
Pam Smith

Fee: \$45.00

Return to:

First Interstate Bank of California
P.O. Box 1428
Grass Valley, Ca. 95945