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MTC-1396-1022

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6045

THIS MORTGAGE, Made this 7TH day of APRIL, 1987, by FAIRBANKS MOTEL ASSOCIATES, A WASHINGTON LIMITED PARTNERSHIP to SOUTH VALLEY STATE BANK hereinafter called Mortgagor,

WITNESSETH, That said mortgagor, in consideration of ONE MILLION FIFTY THOUSAND AND NO/100 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 ATTACHED EXHIBIT "A" BY THIS REFERENCE MADE A PART HERETO.

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE SIDE)

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 certain promissory note, described as follows:

NOTE DATED APRIL 7, 1987 TO FAIRBANKS MOTEL ASSOCIATES, A WASHINGTON LIMITED PARTNERSHIP IN THE AMOUNT OF \$1,050,000.00 WITH MATURITY OF APRIL 1, 1997.

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: APRIL 1, 1997.

The mortgagor warrants that the proceeds of the loan represented by the above described note and this mortgage are:

(b) for an organization or (even if mortgagor is a natural person) for business or commercial purposes. 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 are or may become liens on the premises or any part thereof superior to the lien of this mortgage; that he will keep the buildings now on or which may be hereafter erected on the premises insured in favor of the mortgagee against loss or damage by fire, with extended coverage, in the sum of \$ Full Amount

have all policies of insurance on said property made payable to the mortgagee as his interest may appear and will deliver all policies of insurance on said premises to the mortgagee as soon as insured; that he will keep the building and improvements on said premises in good repair and will not commit or suffer any waste of said premises. Now, therefore, it 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 proceedings of any kind be taken to foreclose on any lien on said premises or any part thereof, the mortgagee shall have the option to declare the whole amount unpaid on said note and 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 of any lien, encumbrances 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 losing party in such suit or action agrees to pay all reasonable costs incurred by the prevailing party therein for title reports and title search, all statutory costs and disbursements and such further sum as the trial court may adjudge reasonable as the prevailing party's attorney's fees in such suit or action, and if an appeal is taken from any judgment or decree entered therein the losing party further promises to pay such sum as the appellate court shall adjudge reasonable as the prevailing party's attorney's fees on such appeal, all such sums to be included in the court's decree. 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, first deducting all proper charges and expenses attending the execution of said trust, as the court may direct in its judgment or decree.

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 and the feminine, 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.

\*IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable, the mortgagee MUST comply with the Truth-in-Lending Act and Regulation Z by making required disclosures; for this purpose use S-N Form No. 1319, or equivalent.

STATE OF OREGON,

County of KLAMATH

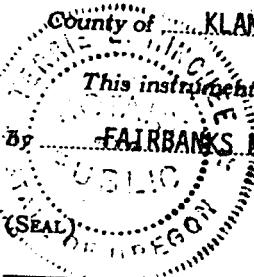
SS:

This instrument was acknowledged before me on APRIL 7TH, 1987,

By FAIRBANKS MOTEL CHAIRMAN AND GENERAL PARTNER

FAIRBANKS MOTEL ASSOCIATES,  
A WASHINGTON LIMITED PARTNERSHIP

BY: *[Signature]*  
CHAIRMAN, SUPER 8 MOTELS OF THE NORTHWEST  
INC. / MANAGING GENERAL PARTNER



*[Signature]*  
Notary Public for Oregon  
My commission expires 2-12-91

## MORTGAGE

TO

(DON'T USE THIS  
SPACE; RESERVED  
FOR RECORDING  
LABEL IN COUN-  
TIES WHERE  
USED.)

No.

AFTER RECORDING RETURN TO  
SOUTH VALLEY STATE BANK  
5215 SOUTH SIXTH STREET  
KLAMATH FALLS OR 97603

STATE OF OREGON,

County of } SS.

I certify that the within instru-  
ment was received for record on the  
day of , 19 ,

at o'clock M., and recorded  
in book/reel/volume No. on  
page or as fee/file/instrument/  
microfilm/reception No.

Record of Mortgage of said County.

Witness my hand and seal of  
County affixed.

NAME

TITLE

By Deputy

FAIRBANKS MOTEL ASSOCIATES, A WASHINGTON LIMITED PARTNERSHIP

EXHIBIT A

6046

DESCRIPTION OF PROPERTY

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

PARCEL 1:

Beginning at an iron pin on the North line of Byrd Avenue of Chelsea Addition, a subdivision of Klamath County, State of Oregon, which iron pin is at a point South 0°06' West along the East section line of Section 19, Township 38 South, Range 9 East of the Willamette Meridian, a distance of 688.5 feet and North 89°49' West along the North line of Byrd Avenue a distance of 444.4 feet from the iron axle (with Ball Race) which marks the Northeast corner of said Section 19; thence running North 89°49' West along the North line of Byrd Avenue a distance of 77.2 feet to an iron pin which lies on the Northeasterly right of way line of State Highway No. 97, 95 feet at right angles from the Northeasterly leg of same; thence North 38°52' West along the Northeasterly right of way line of State Highway No. 97 (NOTE: The State Highway bearing of this line shows North 39°07½' West) a distance of 130.55 feet to a point; thence North 51°08' East at right angles a distance of 192.77 feet to an iron pin; thence South 38°52' East 15 feet to an iron pin; thence South 0°06' West parallel to the section line a distance of 211.1 feet, more or less, to the point of beginning, in the NE¼NE¼ of Section 19.

PARCEL 2:

A parcel of land lying in the NE¼ of NE¼ of Section 19, Township 38 South, Range 9 East of the Willamette Meridian, and being more particularly described as follows: Beginning at a point in the North line of Byrd St. of Chelsea Addition to the City of Klamath Falls; said point being 688.5 feet South and 234.3 feet West from the Northeast corner of said Section 19; thence North 89°49' West along the North line of said Byrd St. a distance of 208.71 feet; thence North 0°11' East a distance of 208.71 feet; thence South 89°49' East a distance of 208.71 feet; thence South 0°11' West a distance of 208.71 feet to the point of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Company the 10th day  
of April A.D., 19 87 at 1:27 o'clock P M., and duly recorded in Vol. M87  
of Mortgages on Page 6045

FEE \$9.00

Evelyn Biehn,  
By [Signature] County Clerk