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MTC-18731 K

MORTGAGE

Vol. 1788 Page 2572

DATE: February 15, 1988.

PARTIES: KENNETH L. TUTTLE and KAREN L. TUTTLE, dba Double K. Ranch
Rt. 5 Box 1310 Cove Point
Klamath Falls, OR 97601

MORTGAGOR

OBIL S. COLLMAN and BERNIECE V. COLLMAN, husband and wife,
5211 Mason Lane
Klamath Falls, OR 97601

MORTGAGEE

AGREEMENTS:

SECTION 1. CONVEYANCE

For value received Mortgagor from Mortgagee, Mortgagor hereby mortgages, grants, bargains, sells and conveys to Mortgagee, their successors and assigns, the following-described real property, situated in the County of Klamath, State of Oregon, to-wit:

The NW $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 27; and a tract of land situated in the W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 26 and the E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 27, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, and being more particularly described as follows:

Beginning at the corner common to Sections 26, 27, 34 and 35, Township 38 South, Range 9 East of the Willamette Meridian, in Klamath County, Oregon; thence East, along the Section line a distance of 660 feet, more or less, thence North 1,747 feet; thence West, 2,020 feet to the West line of the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of said Section 27; thence South along the subdivision line, a distance of 1,747 feet, more or less, to the Southwest corner of the Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of said Section 27; thence East, along the section line, a distance of 1,360 feet, more or less, to the point of beginning.

ALSO, a tract of land in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 27 and the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 26, Township 38 South, Range 9 East of the Willamette Meridian, more particularly described as follows:

Beginning at an iron pin on the $\frac{1}{4}$ corner common to said Sections 26 and 27; thence South 89°40' West along the centerline of said Section 27, a distance of 1,358.52 feet to the West boundary of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 27; thence South 0°21' West along said West boundary a

distance of 928.25 feet to an iron pin; thence North 89°29' East along the North line of that land deeded to Coleman and described in Deed Records of Klamath County, Oregon, in Volume 171, page 559, a distance of 2018.30 feet to an iron pin on the East boundary of the $W\frac{1}{2}W\frac{1}{2}SW\frac{1}{4}$ of said Section 26; thence North 0°21' East along said East boundary a distance of 928.51 feet to a point on the East-West centerline of said Section 26; thence South 89°05' West along the centerline of said Section 26, a distance of 659.82 feet, more or less to the point of beginning.

EXCEPTING THEREFROM the following:

A tract of land situated in the $SE\frac{1}{4}SE\frac{1}{4}$ of Section 27, Township 38 South, Range 9 East of the Willamette Meridian, more particularly described as follows:

Beginning at the Northwest corner of the $SE\frac{1}{4}SE\frac{1}{4}$ of said Section 27; thence Easterly along the North line of the $SE\frac{1}{4}SE\frac{1}{4}$ of said Section 27 to its intersection with the Westerly line of the Enterprise Irrigation District Canal; thence Southwesterly along the Westerly line of the Enterprise Irrigation District Canal to its intersection with the West line of the $SE\frac{1}{4}SE\frac{1}{4}$ of said Section 27, said point being North 0°21' East a distance of 281.2 feet from the iron pin marking the Southwest corner of the $SE\frac{1}{4}SE\frac{1}{4}$ of said Section 27; thence Northerly along the West line of the $SE\frac{1}{4}SE\frac{1}{4}$ of said Section 27 a distance of 1056.4 feet, more or less, to the point of beginning.

ALSO EXCEPTING THEREFROM the following:

Beginning at an iron axle situated on the Southwest corner of said Section 26; thence North 89°05' East along the South line of said Section 26 a distance of 660 feet to an iron pin; thence North 0°21' East parallel with the West line of said Section 26, a distance of 1747.00 feet to an iron pin; thence South 89°29' West a distance of 1487.94 feet to an iron pin situated on the West edge of the Enterprise Irrigation District ditch easement; thence Southwesterly along the said Westerly ditch easement South 26°03' West 109.8 feet to a point; South 2°26' West 163.5 feet to a point; South 30°48' West 146.3 feet to a point; South 2°08' West 201.8 feet; South 27°04' West 450.2 feet to a point; South 12°27' West 264.8 feet to a point; South 26°51' West 260.5 feet to an iron pin on the West line of the $SE\frac{1}{4}SE\frac{1}{4}$ of said Section 27; thence South 0°21' West along the West line of $SE\frac{1}{4}SE\frac{1}{4}$ of said Section 27, a distance of 281.20 feet, to the iron pin marking the Southwest corner of said $SE\frac{1}{4}SE\frac{1}{4}$ of Section 27, thence East to the point of beginning.

Klamath County Tax Account #3809-0000-5500 and #3809-2700-0300.

together with the appurtenances now or hereafter belonging to the property, and all the rents, issues and profits arising or to arise therefrom. All property subject to this Mortgage is hereinafter referred to as the mortgaged premises. Until default, Mortgagor may remain in possession of the mortgaged premises and may manage and collect all rents and revenues from the mortgaged premises.

SECTION 2. PURPOSE

This conveyance is intended as a mortgage to secure performance of the covenants and agreements herein contained and to secure payment of a loan in the principal amount of Eighty-Five Thousand and No/100ths (\$85,000.00) DOLLARS, evidenced by the promissory note from Mortgagor to Mortgagee, dated February 15, 1988 with a maturity date of February 15, 2008, together with interest payable on the unpaid balance thereof at the rate specified in the Note. All covenants and provisions of this Mortgage shall bind the successors and assigns of Mortgagor and shall inure to the benefit of the successors and assigns of Mortgagee.

SECTION 3. WARRANTY OF TITLE

At the time of execution and delivery of this Mortgage, Mortgagor is the owner of the mortgaged premises in fee simple, under a purchase money arrangement with the Mortgagee and the mortgaged premises are free and clear of liens and encumbrances.

SECTION 4. PAYMENT AND PERFORMANCE

Mortgagor will pay, when due, the indebtedness secured by this Mortgage in accordance with the terms thereof. Mortgagor will strictly perform all obligations of this Mortgage. Mortgagor will promptly comply with all existing or future laws, orders and regulations of all state, federal, municipal and local governments or any similar bodies affecting the mortgaged premises or their use.

SECTION 5. CHARGES AGAINST MORTGAGED PREMISES

5.1 Taxes and Utilities. Mortgagor will pay when due all taxes, assessments, water and other charges for utility services that may be levied, assessed or charged upon or against the mortgaged premises, or any part thereof. Upon request, Mortgagor shall deliver to Mortgagee evidence of payment of the taxes, assessments or other charges.

5.2 Liens and Encumbrances. Mortgagor will promptly pay and satisfy any construction liens or other encumbrances that might by operation of law or otherwise become a lien upon the mortgaged premises, whether or not superior to the lien of this Mortgage. Mortgagor may withhold payment of any claim in

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connection with a good-faith dispute over the obligation to pay, so long as Mortgagee's property interests are not jeopardized. If a lien is filed as a result of nonpayment, Mortgagor shall, within ten (10) days after knowledge of the filing, secure the discharge of the lien, or deposit with Mortgagee cash or a sufficient corporate surety bond or other security satisfactory to Mortgagee in an amount sufficient to discharge the lien plus any costs, attorney fees and other charges that could accrue as a result of a foreclosure or sale under the lien.

5.3 Failure to Pay. In case of default in payment of any charges Mortgagor is required to pay pursuant to this Mortgage, Mortgagee, their successors and assigns, may at their option pay any charges, taxes and/or assessments due or claimed to be due; and any amounts so paid by Mortgagee shall become part of the principal debt; and amounts so paid by Mortgagee shall bear interest at the rate of 12% from the date of payment.

SECTION 6. CONDITION OF MORTGAGED PREMISES

6.1 Repairs and Maintenance. Mortgagor will keep all improvements erected on the mortgaged premises in good order and repair.

6.2 First-Class Condition. Mortgagor will maintain the mortgaged premises in first-class condition.

6.3 Waste. Mortgagor will not permit waste of the mortgaged premises or do or suffer anything to be done to depreciate or impair the value of the mortgaged premises during the life of this Mortgage.

6.4 Changes and Alterations. Mortgagor will not make any changes in or alterations to the improvements on the mortgaged premises which will materially decrease the value of the same. Before making any changes in or alterations to the improvements, Mortgagor shall give notice to Mortgagee of the nature and extent of the changes or alterations and shall provide evidence of Mortgagor's ability to finance the changes or alterations.

6.5 Right of Inspection. Mortgagee shall have the right to enter upon the mortgaged premises at all reasonable times to determine Mortgagor's compliance with this Mortgage.

SECTION 7. DEFAULT

7.1 Events of Default. The occurrence of any one or more of the following events shall constitute a default hereunder (a Default):

(a) Mortgagor's default in the timely payment of any indebtedness to Mortgagee when due;

(b) Mortgagor's failure to perform or observe all the provisions of this Mortgage;

(c) Mortgagor's insolvency or inability to pay their debts as they mature or Mortgagor's assignment for the benefit of creditors or filing of a voluntary petition in bankruptcy, or a voluntary petition seeking reorganization, or effecting a plan or other arrangement with creditors, or filing an answer consenting to or taking any other action indicating acquiescence in any involuntary petition pursuant to, or purporting to be pursuant to, any bankruptcy, reorganization or insolvency laws of any jurisdiction, or adjudication of Mortgagor as bankrupt or insolvent by a court of competent jurisdiction or appointment of a receiver for any substantial portion of Mortgagor's property.

7.2 Remedies on Default. If any default occurs, Mortgagee may, at their option, declare the entire unpaid balance of principal and accrued interest secured by this Mortgage immediately due and payable, together with any prepayment penalties imposed by any agreement or security agreement between Mortgagor and Mortgagee, and foreclosure proceedings may be immediately commenced. All rights and remedies of Mortgagee shall be cumulative and nonexclusive and in addition to any other right or remedy contained in this Mortgage or otherwise available under applicable law. The failure of Mortgagee to exercise any option given hereunder shall not be taken or deemed a waiver of their right to exercise their option as to any past or subsequent violation of any covenants or stipulations.

SECTION 8. ATTORNEY FEES AND OTHER COSTS

In the event suit or action is begun to foreclose this Mortgage, Mortgagor will pay, in addition to the costs and disbursements allowed by law, such sum as the Court may adjudge reasonable attorney fees in such suit or action or upon any appeal or petition for review. Mortgagor will also pay such sum as the Court may adjudge reasonable for the necessary examination and search of the public records respecting the title to the mortgaged premises. The Plaintiff in such suit or action may take judgment therein for such sums. Mortgagee will pay to Mortgagee all sums, including costs, expenses and reasonable agent and attorney fees, which Mortgagee may expend or become obligated for in any proceedings, legal or otherwise, involving the title to the mortgaged premises, or to establish, protect or sustain the lien of this Mortgage, or its priority, or in defending against liens, claims, rights, estates, easements or restrictions, or for evidences of title to the mortgaged premises. Interest shall be paid to Mortgagee on all such sums at the rate then payable on the indebtedness secured hereby. This Mortgage shall stand as security for payment of these sums and interest in like manner and effect as for payment of the indebtedness secured.

SECTION 9. CONDEMNATION

If the mortgaged premises, or any part thereof, are condemned under any power of eminent domain or acquired for public use, the damages, proceeds, and the consideration for such acquisition, to the extent of the full amount of the indebtedness secured by this Mortgage, including any expenses and attorney fees incurred by Mortgagee on account of such condemnation, are hereby assigned by Mortgagor to Mortgagee and shall be paid forthwith to Mortgagee to be applied by it to the payment of such expenses and attorney fees and any balance on account of the last maturing portion of the indebtedness secured hereby.

SECTION 10. MISCELLANEOUS

10.1 Terminology. The word "Mortgagor" and the language of this instrument shall, where there is more than one Mortgagor, be construed as plural and be binding jointly and severally upon all Mortgagors and the word "Mortgagee" shall apply to any holder of this Mortgage.

10.2 Nonwaiver. No condition of this Mortgage shall be deemed waived unless expressly waived in writing by Mortgagee.

10.3 Notices. Whenever any notice, demand or request is required by the terms of this Mortgage or by any law now in existence or hereafter enacted, the notice, demand or request shall be sufficient if enclosed in a postpaid envelope addressed to Mortgagor at the last address actually furnished to Mortgagee, or at the mortgaged premises, and deposited in any post office station or letter box.

10.4 Time of Essence. Time is of the essence of this Mortgage.

10.5 Applicable Law. This Mortgage shall be governed by the law of the State of Oregon, and any question arising hereunder shall be construed or determined according to such law.

The parties have executed this agreement as of the date first written above.

DOUBLE K RANCH

By: Kenneth L. Tuttle
Kenneth L. Tuttle

By: Karen L. Tuttle
Karen L. Tuttle

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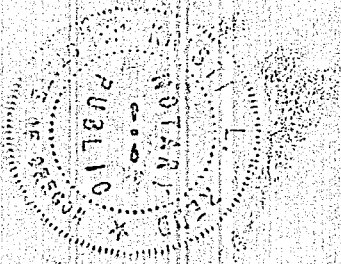
STATE OF OREGON

County of Klamath

) ss. February 17, 1988

1. 2585

Personally appeared the above-named KENNETH L. TUTTLE and KARIN L. TUTTLE, dba DOUBLE K RANCH, and acknowledged the foregoing Mortgage to be their voluntary act and deed. Before me:



Kristin L. Redd
Notary Public for Oregon
My Commission expires: 11/16/91

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Company the 23rd day
of February A.D., 19 88 at 2:29 o'clock P M., and duly recorded in Vol. M88
of Mortgages on Page 2579

FEE \$35.00

Evelyn Biehn, County Clerk
By *Pat Smith*

AFTER RECORDING RETURN TO:
Brandsness, Brandsness & Davis, P.C.
411 Pine Street
Klamath Falls, OR 97601

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88-01-28f (MP18)