

86559

MORTGAGE

Vol 1788 Page 6283

DATE: APRIL 14, 1988

PARTIES: RONALD E. PHAIR
4417 Meadows Drive
Klamath Falls, OR 97603

MORTGAGOR

TRENDWEST, inc.
803 Main Street
Klamath Falls, OR 97601

MORTGAGEE

RECITALS:

AGREEMENTS:

SECTION 1. CONVEYANCE

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

Lot 2, Block 3, TRACT 1126, FERNDAL FIRST ADDITION

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 contained in a Joint Venture Agreement dated March 10, 1988, between Mortgagor and Mortgagee, a copy of said Agreement is on file in the office of the Mortgagee, together with all amounts due thereon. 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, Mortgagor has the right and authority to mortgage the mortgaged premises as provided in this Mortgage, and the mortgaged premises are free and clear of liens and encumbrances, except a superior encumbrance to South Valley State Bank. Mortgagor will defend Mortgagee's right against any liens and encumbrances other than those listed in this Mortgage.

SECTION 4. PERFORMANCE

Mortgagor will strictly perform all obligations of this Mortgage and the Joint Venture Agreement executed in connection with and secured by 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

6290

similar bodies affecting the mortgaged premises or their use.

SECTION 5. DEFAULT

5.1 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 and the failure to perform any required act under the Joint Venture Agreement;

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

(c) The happening of an event of default under any other agreement or security instrument between Mortgagor and Mortgagee;

(d) Mortgagor's insolvency or inability to pay its 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.

5.2 Remedies on Default. If any default occurs, Mortgagee may, at its 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 its right to exercise its option as to any past or subsequent violation of any covenants or stipulations.

SECTION 6. 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. Mortgagor 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

6291

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 7. SECOND MORTGAGE

If Mortgagor defaults on any provision of any prior mortgage, the default will also be considered a default under this Mortgage.

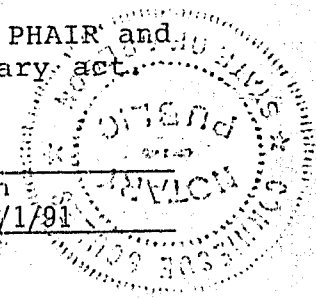
The parties have executed this agreement as of the date first written above.

Ronald E. Phair
Mortgagor

STATE OF OREGON)
) ss. April 14,, 1988
County of Klamath)

Personally appeared the above-named RONALD E. PHAIR and acknowledged the foregoing instrument to be his voluntary act. Before me:

Caroline Sue Bullis
Notary Public for Oregon
My Commission expires: 2/1/91



STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the 21st day
of April A.D., 19 88 at 11:45 o'clock A M., and duly recorded in Vol. M88,
of Mortgages on Page 6289.

FEE \$\$15.00

Evelyn Biehn County Clerk
By Bernetha A. Ketch

AFTER RECORDING RETURN TO:

Brandsness, Brandsness & Davis, P.C.
411 Pine Street
Klamath Falls, OR 97601