

MORTGAGE

THIS MORTGAGE, Made this 26TH day of SEPTEMBER, 1989, by WRAY PARTNERSHIP, a partnership consisting of Michael Barnes Wray, Mark Forbes Wray, Nancy Lee Dey, Stephen Waddington Wray, Susan Wray Hedges and Judith Wray Nelson, hereinafter called Mortgagor, to DALE A. FLEMING and JANICE M. FLEMING, husband and wife, hereinafter called Mortgagee,

WITNESSETH, That said mortgagor, in consideration of TWO HUNDRED THREE THOUSAND THREE HUNDRED TWENTY and NO/100 DOLLARS (\$203,320.00), 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 in the attached Exhibit "A".

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 dated SEPTEMBER 26, 1989, in the principal amount of \$203,320 with interest thereon at the rate of ten percent (10%) per annum, and providing for variable payments, and the obligation of Mortgagor to Farm Credit Bank of Spokane under a Real Estate Contract dated March 12, 1989, in the principal amount of \$535,000.

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: Note: May 1, 1990; Contract: March 1, 2009.

The mortgagor warrants that the proceeds to the loan represented by the above described note and this mortgage are for an organization or (even if mortgagor is a natural person) are for business or commercial purposes other than agricultural 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 maybe 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 damages by fire, with extended coverage in the sum of the full insurable value in a company or companies acceptable to the mortgagee, and will 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, if 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 sums 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

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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, 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, said mortgagor has hereunto set his hand the day and year first above written.

WRAY PARTNERSHIP

By

By

By

STATE OF OREGON

County of Klamath

) ss.

Sept 26, 1989

Personally appeared the above named Michael Barnes Wray, a Managing Partner of Wray Partnership, and acknowledged the foregoing instrument to be its voluntary act and deed.

Before me.

Nancy L. Deane
NOTARY PUBLIC FOR OREGON
My Commission Expires: 11-1-91

STATE OF OREGON

County of Klamath

) ss.

September 26, 1989

Personally appeared the above named Nancy Lee Dey, a Managing Partner of Wray Partnership, and acknowledged the foregoing instrument to be its voluntary act and deed.

Before me.

Lynne M. Williams
NOTARY PUBLIC FOR OREGON
My Commission Expires: 10/7/91

RETURN TO :
KCTC

STATE OF Washington)
 County of Skagit) ss.

September 12, 1989

Personally appeared the above named Mark Forbes Wray, a Managing Partner of Wray Partnership, and acknowledged the foregoing instrument to be its voluntary act and deed.

Before me.

June F. Moore
 NOTARY PUBLIC FOR Washington
 My Commission Expires: 6-15-92

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MORTGAGE
 Wray Partnership

to

Dale A. Fleming and Janice M. Fleming

After recording return to:

DALE A. FLEMING
AND

JANICE M. FLEMING

4500 D'CONNOR ROAD

KLAMATH FALLS, OREGON 97603

STATE OF OREGON)

County of Klamath) ss.

I certify that the within instrument was received for record on the

___ day of ___, 19___, at

___ o'clock ___ M., and recorded in book/reel/volume ___, page ___, or as fee/file/instrument/microfilm/

reception No. ___, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

 Name

 Title

By _____

 Deputy

PARCEL 1:
That portion of S½SW¼, in Section 25, Township 39 South, Range 9 E.W.M.
excepting however, from the effect of this conveyance, the South 126.7 feet
thereof; Containing after making the aforesaid exception, 72.3 acres, and
SAVING and EXCEPTING any portion lying in Homedale Road.

PARCEL 2:
The N½NE of Section 35 Township 39 South, Range 9 E.W.M., Klamath County,
Oregon, SAVING AND EXCEPTING such portions of said premises as have been
conveyed to the United States of America by deed recorded in Volume 326 at page
239, by deed recorded in Volume 30 at page 563, by deed recorded in Volume 45
at page 239, and by deed recorded in Volume 88 at page 309 of Deed Records of
Klamath County, Oregon; and ALSO EXCEPTING that portion of said realty acquired
by the United States of America under a declaration of taking in Volume 293 at
page 183 of Deed Records of Klamath County, Oregon; ALSO EXCEPTING THEREFROM
any portion lying within Homedale Road.

PARCEL 3:
Tract 19 of "400" Subdivision, EXCEPTING THEREFROM that portion deeded to
United States of America by deed recorded February 7, 1936, in Deed Volume 105,
page 608 for 1-B-1-A Drain purposes. ALSO EXCEPTING THEREFROM that portion
deeded to the United States of America by deed recorded August 26, 1960 in Deed
Volume 323, page 581.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co. the 26th day
of Jan. A.D., 19 90 at 10:33 o'clock AM., and duly recorded in Vol. M90,
of Mortgages on Page 1834.

Evelyn Biehn, County Clerk

By Pauline Mulendore

FEE \$23.00