

19535

LINE OF CREDIT MORTGAGE

THIS MORTGAGE made this 27th day of August, 1990, by
TOD E. McCLASKEY, JR., hereinafter called "Mortgagor," to
TOD E. McCLASKEY, SR., hereinafter called "Mortgagee,"

W I T N E S S E T H :

Mortgagor, in consideration of advances made and to be made up to Two Million Five Hundred Thousand Dollars (\$2,500,000), to him paid by Mortgagee, does hereby grant, bargain, sell, and convey unto Mortgagee, his heirs, executors, administrators, and assigns, that certain real property described in Exhibit A attached hereto and by reference made a part hereof, 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.

After recording, return to:

Orval O. Hager
Miller, Nash, Wiener, Hager & Carlsen
111 S.W. Fifth Avenue, Suite 3500
Portland, Oregon 97204

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TO HAVE AND TO HOLD said premises with the appurtenances unto Mortgagee, his heirs, executors, administrators, and assigns forever.

This mortgage is intended to secure a credit agreement between Mortgagor and Mortgagee and advances thereunder up to \$2,500,000 and the payment of promissory notes ("Notes") given and to be given by Mortgagor to Mortgagee to evidence said advances, which Notes are payable upon demand and bear interest at nine percent (9%) per annum until changed pursuant to the credit agreement between Mortgagor and Mortgagee, the term of which expires December 31, 1990.

Mortgagor warrants that the proceeds of the loan represented by the above-described Notes and this mortgage are for business or commercial purposes.

Mortgagor covenants to and with 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 Notes, principal and interest, according to the terms thereof; that while any part of said Notes 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 Notes 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 Mortgagee against loss or damage by fire, with extended coverage, to their maximum insurable value in a company or companies acceptable to Mortgagee, and will have all policies of insurance on said property made payable to Mortgagee as his interest may appear and will deliver all policies of insurance on said premises to 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 Mortgagor shall keep and perform the covenants herein contained and shall pay said Notes according to their terms, this conveyance shall be void, but otherwise shall remain in full force as a mortgage to secure the performance of said credit agreement and all of said covenants and the payment of said Notes; it being agreed that 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, Mortgagee shall have the option to declare the whole amount unpaid on said Notes and on this mortgage at once due and payable, and this mortgage may be foreclosed at any time thereafter. And if Mortgagor shall fail to pay any taxes or charges of any lien, encumbrances, or insurance premium as above provided for, 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 Notes without waiver, however, of any rights arising to Mortgagee for breach of covenant. And this mortgage may be foreclosed for principal, interest, and all sums paid by Mortgagee at any time while Mortgagor neglects to repay any sums so paid by 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 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 fees on such appeal, all such sums to be included in the court's decree. Each of and all the covenants and agreements herein contained shall apply to and bind the heirs, executors, administrators, and assigns of Mortgagor and of Mortgagee, respectively. In case suit or action is commenced to foreclose this mortgage, the court may, upon motion of 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 WITNESS WHEREOF, Mortgagor has executed this instrument the date first above written.

Tod E. McClaskey, Jr.
Tod E. McClaskey, Jr.

STATE OF OREGON)
) SS
COUNTY OF MULTNOMAH)

This instrument was acknowledged before me on this 28th day of August, 1990, by Tod E. McClaskey, Jr.



Whitney B. Pettigrew
Notary Public for Oregon
My commission expires: 02-28-93

A parcel of land situate in the NW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 3 Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Commencing at the section corner marking the NW corner of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, and running thence S. 0°00'30" E. along the Westerly boundary of said Section 3, 826.8 feet, more or less, to its intersection with a line parallel with and 75 feet distant at right angles Northeasterly from the centerline of the Dalles-California Highway, also known as South Sixth Street, as the same is now located and constructed; thence S. 55°52 $\frac{1}{2}$ ' E. along said parallel line 36.2 feet, more or less, to a point in the line marking the Easterly boundary of Washburn Way, as the same is now located and constructed, which point is the true point of beginning of this description, running thence S. 55°52 $\frac{1}{2}$ ' E. along said parallel line 296.92 feet, more or less to a point, thence N. 34°07'30" E., 175 feet, more or less, to a point on the Southwesterly right of way line of Pershing Way, thence N. 55°52'30" W. along said right of way line a distance of 402.52 feet, more or less, to its intersection with the Easterly right of way line of Washburn Way, thence S. 0°00'30" E. along said right of way line 211.4 feet, more or less, to the true point of beginning.
Less any portion lying within the right of way of Washburn Way.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Orval O. Hager the 31st day
of Aug. A.D., 19 90 at 12:19 o'clock PM., and duly recorded in Vol. M90,
of Mortgages on Page 17520.
By Evelyn Biehn County Clerk
Pauline Mueller

FEE \$33.00

EXHIBIT A