

84937

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28-6362
MORTGAGE

THIS MORTGAGE witnesseth, that C. P. PEYTON and DORIS A. PEYTON, husband and wife, mortgagors, in consideration of the sum of Two Hundred Thirty Thousand and No/100 Dollars (\$230,000.00) in hand paid, the receipt whereof is hereby acknowledged, do hereby grant, bargain, sell and convey unto FIRST SECURITY BANK OF IDAHO, National Association, mortgagee, the following described real property, to-wit:

Lots 1, 2, 3, 4, 6, 7, 8, 9, 10; Lot 13, less the southerly 25 feet thereof; all in MARINA PARK, a platted subdivision of Klamath County, Oregon,

Together with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

To have and to hold the same with the appurtenances unto the said mortgagee, its successors and assigns forever. This conveyance is intended as a mortgage to guaranty the payment of the sum of \$230,000.00 in accordance with the terms of that certain promissory note executed by Abaddon Products Co., Inc. as maker to mortgagee above named, a copy of said note is hereby attached as Exhibit "A" and by reference incorporated herein the same as if set forth herein at length.

Now, if the sums of money due upon said instrument shall be paid according to agreement therein expressed, this conveyance shall be void, but in case default shall be made in payment of the principal or interest, as above provided, then the said mortgagee and its legal representatives may sell the premises above described, with all and every of the appurtenances, or any part thereof, in the manner prescribed by law, and out of the money arising from such sale retain the said principal and interest, together with the costs and charges of making such sale, and a reasonable sum as

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attorney's fees, including attorney's fees on any appeal, and the overplus, if any there be, pay over to the said mortgagors their heirs or assigns; and the mortgagors, for their heirs, executors and administrators do covenant and agree to pay the said mortgagee, its successors and assigns, the said sum of money as above mentioned.

WITNESS our hands and seals this 29th day of November, 1973.

C. P. Peyton
C. P. Peyton

Doris A. Peyton
Doris A. Peyton

STATE OF OREGON)
COUNTY OF KLAMATH) ss

On this 29th day of November, 1973, before me, the undersigned, personally appeared C. P. PEYTON and DORIS A. PEYTON, husband and wife, and acknowledged the foregoing instrument to be their voluntary act.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(seal)

Delores Friedman
Notary Public for Oregon
Residing at: Klamath Falls, Oregon
My Commission Expires: May 13, 1977

JONES, POMEROY & JONES
CENTRAL BLDG.
POCATELLO, IDAHO

return to
First Security Bank
of Idaho
Post Office Box 10
Montpelier, Idaho
83254

SBA LOAN NUMBER

GP-478114 10 04-501

NOTE

(City and State)

(Date) December 18, 1973

\$ 230,000.00

For value received, the undersigned promises to pay to the order of FIRST SECURITY BANK OF IDAHO

(Payee)

at its office in the city of Montpelier, State of Idaho

or at holder's option, at such other place as may be designated from time to time by the holder

230 THOUSAND DOLLARS AND NO/100THS dollars,
(Write out amount)with interest on unpaid principal computed from the date of each advance to the undersigned at the rate of 9 1/2 percent
per annum, payment to be made in installments as follows:

1. Payments of interim interest only due on October 15, 1973; December 15, 1973, and February 15, 1974.
2. Installments, including principal and interest, each in the amount of \$3,177.00, payable monthly, beginning March 15, 1974;
3. Each said installment shall be applied first to interest accrued to the date of receipt of said installment, and the balance, if any to principal;
4. Balance of principal and interest payable when (9) years seven (7) months from date hereof.

Payment of any installment of principal or interest owing on this Note may be made prior to the maturity date thereof without penalty.

The term "indebtedness" as used herein shall mean the indebtedness evidenced by this Note, including principal, interest, and expenses, whether contingent, now due or hereafter to become due and whether heretofore or contemporaneously herewith or hereafter contracted. The term "Collateral" as used in this Note shall mean any funds, guaranties, or other property or rights of any nature whatsoever or the proceeds thereof which may have been, are, or hereafter may be, hypothecated, directly or indirectly by the undersigned or others, in connection with, or as security for, the indebtedness or any part thereof. The Collateral, and each part thereof, shall secure the indebtedness and each part thereof. The covenants and conditions set forth or referred to in any and all instruments of hypothecation constituting the Collateral are hereby incorporated in this Note as covenants and conditions of the undersigned with the same force and effect as though such covenants and conditions were fully set forth herein.

The indebtedness shall immediately become due and payable, without notice or demand, upon the appointment of a receiver or liquidator, whether voluntary or involuntary, for the undersigned or for any of its property, or upon the filing of a petition by or against the undersigned under the provisions of any State insolvency law or under the provisions of the Bankruptcy Act of 1898, as amended, or upon the making by the undersigned of an assignment for the benefit of its creditors. Holder is authorized to declare all or any part of the indebtedness immediately due and payable upon the happening of any of the following events:

(1) Failure to pay any part of the indebtedness when due; (2) nonperformance by the undersigned of any agreement with, or any condition imposed by, Holder or Small Business Administration (hereinafter called "SBA"), or either of them, with respect to the indebtedness; (3) Holder's discovery of the undersigned's failure in any application of the undersigned to Holder or SBA to disclose any fact deemed by Holder to be material or of the making therein or in any of the said agreements, or in any affidavit or other documents submitted in connection with said application or the indebtedness, of any misrepresentation by, on behalf of, or for the benefit of the undersigned; (4) the reorganization (other than a reorganization pursuant to any of the provisions of the Bankruptcy Act of 1898, as amended) or merger or consolidation of the undersigned (or the making of any agreement therefor) without the prior written consent of Holder; (5) the undersigned's failure duly to account, to Holder's satisfaction, at such time or times as Holder may require, for any of the Collateral, or proceeds thereof, coming into the control of the undersigned; or (6) the institution of any suit affecting the undersigned deemed by Holder to affect adversely its interest hereunder in the Collateral or otherwise. Holder's failure to exercise its rights under this paragraph shall not constitute a waiver thereof.

Upon the nonpayment of the indebtedness, or any part thereof, when due, whether by acceleration or otherwise, Holder is empowered to sell, assign, and deliver the whole or any part of the Collateral at public or private sale, without demand, advertisement or notice of the time or place of sale or of any adjournment thereof, which are hereby expressly waived. After deducting all expenses incidental to or arising from such sale or sales, Holder may apply the residue of the proceeds thereof to the payment of the indebtedness, as it shall deem proper, returning the excess, if any, to the undersigned. The undersigned hereby waives all right of redemption or appraisal whether before or after sale.

Holder is further empowered, to collect or cause to be collected or otherwise to be converted into money all or any part of the Collateral, by suit or otherwise, and to surrender, compromise, release, renew, extend, exchange, or substitute any item of the Collateral in transactions with the undersigned or any third party, irrespective of any assignment thereof by the undersigned, and without prior notice to or consent of the undersigned or any assignee. Whenever any item of the Collateral shall not be paid when due, or otherwise shall be in default, whether or not the indebtedness, or any part thereof, has become due, Holder shall have the same rights and powers with respect to such item of the Collateral as are granted in respect thereof in this paragraph in case of nonpayment of the indebtedness, or any part thereof, when due. None of the rights, remedies, privileges, or powers of Holder expressly provided for herein shall be exclusive, but each of them shall be cumulative with and in addition to every other right, remedy, privilege, and power now or hereafter existing in favor of Holder, whether at law or in equity, by statute or otherwise.

The undersigned agrees to take all necessary steps to administer, supervise, preserve, and protect the Collateral; and regardless of any action taken by Holder, there shall be no duty upon Holder in this respect. The undersigned shall pay all expenses of any nature, whether incurred in or out of court, and whether incurred before or after this Note shall become due at its maturity date or otherwise, including but not limited to reasonable attorney's fees and costs, which Holder may deem necessary or proper in connection with the satisfaction of the indebtedness or the administration, supervision, preservation, protection of (including, but not limited to, the maintenance of adequate insurance) or the realization upon the Collateral. Holder is authorized to pay at any time and from time to time any or all of such expenses, add the amount of such payment to the amount of the indebtedness, and charge interest thereon at the rate specified herein with respect to the principal amount of this Note.

The security rights of Holder and its assigns hereunder shall not be impaired by Holder's sale, hypothecation or rehypothecation of any note of the undersigned or any item of the Collateral, or by any indulgence, including but not limited to (a) any renewal, extension, or modification which Holder may grant with respect to the indebtedness or any part thereof, or (b) any surrender, compromise, release, renewal, extension, exchange, or substitution which Holder may grant in respect of the Collateral, or (c) any indulgence granted in respect of any endorser, guarantor, or surety. The purchaser, assignee, transferee, or pledgee of this Note, the Collateral, any guaranty, and any other document (or any of them), sold, assigned, transferred, pledged, or replighted, shall forthwith become vested with and entitled to exercise all the powers and rights given by this Note and all applications of the undersigned to Holder or SBA, as if said purchaser, assignee, transferee, or pledgee were originally named as Payee in this Note and in said applications.

This promissory note is given to secure a loan which SBA is making or in which it is participating and, pursuant to Part 101 of the Rules and Regulations of SBA (13 C.F.R. 101.1(d)), this instrument is to be construed and (when SBA is the Holder or a party in interest) enforced in accordance with applicable Federal law.

ARADON PRODUCTS COMPANY INCORPORATED

By: Richard L. Kash
President

By: Hugh E. Basmiller
Secretary

(Seal)

Noted: Corporate applications for a corporate Note, in corporate name, by duly authorized officer, and seal must be affixed and duly attested to the application for a corporate Note in firm name, together with signature of a general partner.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of TRANSAMERICA TITLE INS. CO

this 7th day of January A. D., 1974 at 3:40 o'clock P. M., and duly recorded in

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FEE \$ 8.00

By WM. D. MILNE County Clerk
Deputy