

THIS MORTGAGE made this 131 day of September, 1976, by and between TWIN CITY BUILDERS, INC., an Oregon corporation, hereinafter called the Mortgagor, and C. P. PEYTON and DORIS A. PEYTON, husband and wife, hereinafter called the Mortgagees, WITNESSETH:

That said Mortgagor in consideration of the sum of \$39,025.00 and other valuable consideration to it in hand paid by said Mortgagees does hereby grant, bargain, sell and convey unto said Mortgagees, or to the survivor of them, their heirs and assigns, the following described real property situated in Klamath County, Oregon, together with the tenements, hereditaments and appurtenances thereunto belonging and appertaining, to-wit:

The following described real property in Klamath County, Oregon:

A tract of land 320 feet wide North and South, in ENTERPRISE TRACTS NO. 38A and No. 41B, and lying North of the North line of the county road known as the extension of Eberlein Avenue and bounded on the North by the Northerly line of Wantland Avenue of Darrow Addition to the City of Klamath Falls, Oregon, extended East to the right of way of the U.S.R.S. Canal; also, such fragment of Enterprise Tracts No. 30 lying South of the U.S.R.S. Canal, as may remain after conveyance heretofore made by Enterprise Land and Investment Company to the U.S.R.S. for right of way, and to Klamath County, Oregon, for road purposes, together with vacated portions of Allandale and Applewood Streets described as Parcels 1 and 2 in Volume 70, Page 4511, Klamath County, recorded June 5, 1970, in the SW-1/4 of Section 34, Township 38 South, Range 9 East of the Willamette Meridian.

EXCEPTING, HOWEVER, those certain parcels heretofore conveyed to the United States of America for right of way of the main canal and "B" Lateral of the United States of America Irrigation System, and to Klamath County, Oregon, for rights of way of roads known as the extension of Eberlein Avenue and Washburn Way.

EXCEPTING ALSO that certain parcel of land deeded by Alfred D. Collier and Ethel F. Collier, husband and wife, to Geo. H. Merryman and Mabel C. Merryman, husband and wife, and George H. Merryman, Jr. and Elizabeth F. Merryman, husband and wife, recorded May 2, 1941 in Book 137 at page 359, Deed Records of Klamath County, Oregon.

Return: C. P. Peyton
1968 Earl St.
City

MORTGAGE (1)

976 OCT 8 PM 3 54

EXCEPTING ALSO that certain parcel of land deeded by Alfred D. Collier and Ethel F. Collier, husband and wife, to Klamath County, Oregon, recorded May 11, 1941 in Book 137 at Page 542, Deed Records of Klamath County, Oregon, BUT INCLUDING ALSO the rights and privileges reserved in said Deed to Alfred D. Collier and Ethel F. Collier, said land being deeded to Klamath County, Oregon for the use as a county road as therein set forth.

15732

EXCEPT that portion lying East of the West line of the vacated Allandale Street.

That in the event Mortgagees shall become the owner of the fee estate herein mortgaged by reason of foreclosure or otherwise, Mortgagor grants unto Mortgagees an easement across other property owned by Mortgagor, said property being described in Deed Records of Klamath County, Oregon in Volume M 75, Page 10192, for the proposes or removing water from an existing well located thereon and maintaining a pipeline in its present location to conduct water from said well to the property herein mortgaged. Provided, however, Mortgagor shall have prior appropriation rights to said water up to a volume of 350 gallons per minute, thereafter, Mortgagees would be entitled to appropriate water up to a maximum volume of 100 gallons per minute and Mortgagees shall share expenses with Mortgagor in the cost of pumping water in proportion to the water used. Mortgagor will pipe water to subject property and Mortgagees will install and maintain all lines on their property.

TO HAVE AND TO HOLD the same premises, with the appurtenances aforesaid, unto said Mortgagees, or to the survivor of them, their heirs and assigns forever. This mortgage is intended to secure the payment of a promissory note of which the following is a substantial copy, to-wit:

\$39,025.00

September 13, 1976

TWIN CITY BUILDERS, INC., an Oregon corporation promises to pay to the order of C. P. PEYTON and DORIS A. PEYTON, or the survivor of them, at North Bend, Oregon, THIRTY NINE THOUSAND TWENTY FIVE AND NO/100 DOLLARS, with interest thereon at the rate of TEN PERCENT per annum from October 10, 1976, until paid, payable in monthly installments of not less than \$500.00 in any one payment; interest shall be paid monthly and is included in the minimum payment above required; the first payment to be made on the 10th day of October, 1976, and a like payment on the 10th day of each month thereafter, until the whole sum, principal and interest has been paid; provided, however, the entire balance shall be due and payable on October 19, 1979; if any of said installments is not so paid, all principal and interest to become immediately due and collectible at the option of the holder of this note. If this note is placed in the hands of an attorney for collection, TWIN CITY BUILDERS, INC. promises and agrees to pay holders' reasonable attorney's fees and collection costs, even though no suit or action is filed, the amount of such reasonable attorney's fees shall be fixed by the court or courts in which the suit or action, including any appeal therein is tried, heard or decided.

TWIN CITY BUILDERS, INC.

By: Stephen B. Graves

Secretary

MORTGAGE (2)

J.D.

PROVIDED, nevertheless, that the payment of the foregoing obligation and the full performance by the Mortgagor of each and every of the terms and conditions in this mortgage contained and said note, shall render void this mortgage. Said Mortgagor covenants to and with the Mortgagees, their heirs and assigns, that it is lawfully seized in fee simple of said premises, that they have a valid unencumbered title thereof, and will warrant and forever defend said title against all persons whomsoever, that they will pay said note above set forth, principal and interest, according to the terms thereof; that while any part of said note remains unpaid, or while any part of any indebtedness remains unpaid, that they will pay all taxes upon the real property above described; that they will pay all municipal assessments and other charges of every nature which may be lawfully levied or assessed against said property, or this mortgage, or the above described note, all when due and payable and before the same may become delinquent; that they will promptly pay and satisfy any and all liens or encumbrances that are or may become liens upon said premises, or any part thereof, superior to the lien of this mortgage.

In the event of default hereunder on the part of the Mortgagor, Mortgagees may obtain a preliminary title report or foreclosure report upon said property from a title insurance company and Mortgagor agrees to promptly reimburse Mortgagees for the cost thereof, together with interest thereon from the date such cost is incurred at the rate set forth in said mortgage note, and such cost and interest thereon shall be secured by this mortgage (whether or not any mortgage foreclosure suit is actually instituted).

NOW, THEREOFRE, if said Mortgagor shall keep and perform each and all of the covenants and agreements herein contained, shall pay said promissory note according to its terms, and shall pay all other sums secured by this mortgage, then this conveyance shall be void, but otherwise shall remain in full force as a mortgage to secure the performance of all 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 any lien on said premises, or any part thereof, the Mortgagees shall have the option to declare the whole amount unpaid on said note, or on said 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 or any lien or encumbrance as above provided for, the Mortgagees may, at their option do so, and any payment so made shall bear interest at the same rate as said note and shall be added to and become a part of this mortgage, without waiver of any right arising to the Mortgagees for breach of covenant. And, this mortgage may be foreclosed at any time for principal, interest and all sums paid by the Mortgagees at any time while the Mortgagor neglects to repay any sums so paid by the Mortgagees. And if suit be commenced to foreclose this mortgage, the attorney fees provided for in said note shall be included in the lien of this mortgage.

In the event the Mortgagees shall institute foreclosure proceedings, they shall have the right to forthwith take possession of said real property, and the whole thereof, and the Mortgagees shall be entitled to collect all of the

15734

rents, issues and profits therefrom, which same are hereby specifically mortgaged, shall have the right to eject the Mortgagor, and all persons claiming under, by or through it, or said Mortgagees may, at their option, apply to the Court for a receiver to take immediate possession of said real property and operate the same under such receivership. The Mortgagees shall have the right at all reasonable times to enter in and upon said premises for the purpose of inspecting the same.

TWIN CITY BUILDERS, INC.

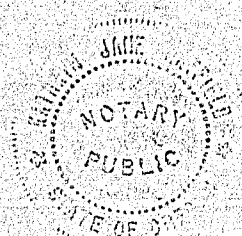
By: Stephen B. Dr
Secretary

STATE OF OREGON)
(ss.
County of Coos)

BEFORE ME this 13th day of September, 1976, personally appeared STEPHEN GRAVES, who being duly sworn, did say that he is the Secretary of TWIN CITY BUILDERS, INC., an Oregon corporation, and that said instrument was signed in behalf of said corporation by authority of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed.

[S E A L]

Kathryn Jane Hatfield
NOTARY PUBLIC for Oregon
My Commission expires: 6/24/80



STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of TRANSAMERICA TITLE INS. CO.
this 6th day of OCTOBER A. D. 1976 at 3:54 o'clock PM. and
duly recorded in Vol. M 76, of MORTGAGES on Page 15731
FEE \$ 12.00

Wm D. MILNE, County Clerk

By: Hazel D. Magala

MORTGAGE (4)