

NTC-13463

IN 34485

Vol. 1484 Page. 4184

THIS MORTGAGE, Made this 12th day of March, 1984, by Peter R. O'Neil and Esther Y. O'Neil (aka Peter Russell O'Neil)

Mortgagor, to SOUTH VALLEY STATE BANK
5215 So. Sixth Street, Klamath Falls, Or 97603

WITNESSETH, That said mortgagor, in consideration of Inc., a note of even date Sixty two thousand five hundred Dollars, 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 as follows, to-wit:

See attached Exhibit A, by this reference made a part herein.

APR 11 37
MAR 15 1984

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 promissory note, of which the following is a substantial copy:

Jefferson State Rock Products, Inc. NOTE

\$ 62,500.00 Klamath Falls, Oregon March 12, 1984 200781-L

I promise to pay to the order of SOUTH VALLEY STATE BANK, Klamath Falls, Oregon branch the principal sum of:

Sixty two thousand five hundred (\$ 62,500.00) Plus interest at the rate of Sixteen DOLLARS (16.0 %) per annum from date of note until paid PERCENT

Said principal sum and interest are payable interest only monthly beginning April 12, 1984 and on the 12th day of each month thereafter until maturity. \$10,000 is due on principal on June 12, 1984 and September 12, 1984 with the unpaid balance of principal and interest payable on December 12, 1984.

Protest is waived.

I also agree to pay attorneys' fees and costs of collection on default.

The holder of this note may accelerate the time of payment of all amounts due hereunder if (a) default is made in the payment of any sum due hereunder or (b) if the holder deems himself insecure.

Upon default of any payment, this note shall bear interest at the rate of 16 per annum.

This Note is secured by equipment, machinery, accounts receivable, inventory, vehicles as described in security agreements of even date and a deed of trust, guarantee and assignment of contract executed by Peter & Esther O'Neil, 4815 Tingley Lane Klamath Falls, Or 97601

Jefferson State Rock Products, Inc.
By: [Signature]

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: December 12, 1984, unless extended by bank (Mortgagee).

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 may be 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 hazards as the mortgagee may from time to time require, in an amount not less than the original principal sum of the note or obligation secured by this mortgage, in a company or companies acceptable to the mortgagee, with loss payable first to the mortgagee and then to the mortgagor as their respective interests may appear; all policies of insurance shall be delivered to the mortgagee as soon as insured. Now if the mortgagor shall fail for any reason to procure any such insurance and to deliver said policies to the mortgagee at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, the mortgagor may procure the same at mortgagor's expense; that he will keep the buildings and improvements on said premises in good repair and will not commit or suffer any waste of said premises. At the request of the mortgagee, the mortgagor shall join with the mortgagee in executing one or more financing statements pursuant to the Uniform Commercial Code, in form satisfactory to the mortgagee, and will pay for filing the same in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the mortgagee.

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The mortgagor warrants that the proceeds of the loan represented by the above described note and this mortgage are:
(b) for an organization or (even if mortgagor is a natural person) are for business or commercial purposes other than agricultural purposes.

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 a proceeding of any kind be taken to foreclose any lien on said premises or any part thereof, the mortgagee shall have the option to declare the whole amount unpaid on said note or 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 or any lien, encumbrance 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 mortgagor agrees to pay all reasonable costs incurred by the mortgagee for title reports and title search, all statutory costs and disbursements and such further sum as the trial court may adjudge reasonable as plaintiff's attorney's fees in such suit or action, and if an appeal is taken from any judgment or decree entered therein mortgagor further promises to pay such sum as the appellate court shall adjudge reasonable as plaintiff's attorney's fees on such appeal, all sums to be secured by the lien of this mortgage and included in the decree of foreclosure.

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 of said premises during the pendency of such foreclosure, and apply the same, after first deducting all of said receiver's proper charges and expenses, to the payment of the amount due under this mortgage.

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.

This mortgage is subject to a trust deed dated December 23, 1982 in favor of Equitable Savings and Loan Association in the original amount of \$25,500. and an unrecorded contract of sale between the undersigned as vendees and Roy Houck as vendor.

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

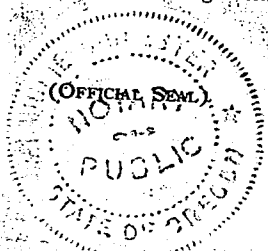
***IMPORTANT NOTICE:** Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable and if the mortgagee is a creditor, as such word is defined in the Truth-in-Lending Act and Regulation Z, the mortgagee **MUST** comply with the Act and Regulation by making required disclosures; for this purpose, if this instrument is to be a FIRST lien to finance the purchase of a dwelling, use Stevens-Ness Form No. 1305 or equivalent; if this instrument is NOT to be a first lien, use Stevens-Ness Form No. 1306, or equivalent.

Peter R. O'Neil
Esther Y. O'Neil
Esther Y. O'Neil
Peter Russell O'Neil
Peter Russell O'Neil

STATE OF OREGON,)
County of Klamath) ss. _____
March 12, 1984

Personally appeared the above named _____ Peter R. O'Neil and Esther Y. O'Neil
(Peter Russell O'Neil)
and acknowledged the foregoing instrument to be _____ their _____ voluntary act and deed.

Before me:
Judi Chidister
Notary Public for Oregon
My commission expires: 10-17-87



MORTGAGE

STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

TO _____

AFTER RECORDING RETURN TO _____

Mountain Title Co.
34182

STATE OF OREGON,)
County of _____) 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 No. _____ on page _____ or as document/fee/file/instrument/microfilm No. _____.
Record of Mortgages of said County.
Witness my hand and seal of County affixed.

NAME _____ TITLE _____
By _____ Deputy

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EXHIBIT A

The following described real property situate in Klamath County, Oregon:

PARCEL 1:

All that portion of the SW 1/4 NW 1/4 lying Southwesterly of the C-4-N Lateral all in Section 31, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon. SAVING AND EXCEPTING THEREFROM any portion lying within the County Road or the C-4-N Lateral. SAVING AND EXCEPTING the following described property: A portion of the SW 1/4 NW 1/4 lying South and West of C-4-N Lateral in Section 31, Township 39 South, Range 9 East of the Willamette Meridian, more particularly described as follows: Beginning at the SW corner of the SW 1/4 NW 1/4, thence North along said 1/4 line for 208.7 feet; thence East for 208.7 feet; thence South for 208.7 feet thence West along the South line of the said 1/4 line line for 208.7 feet to the point of beginning.

PARCEL 2:

A portion of the SW 1/4 NW 1/4 lying South and West of C-4-N Lateral in Section 31, Township 39 South, Range 9 East of the Willamette Meridian, more particularly described as follows: Beginning at the SW corner of the SW 1/4 NW 1/4, thence North along said 1/4 line for 208.7 feet; thence East for 208.7 feet; thence South for 208.7, thence West along the South line of the said 1/4 line line for 208.7 feet to the point of beginning.

STATE OF OREGON,)

County of Klamath)

Filed for record at request of

on this 15th day of March A.D. 19 84
at 11:37 o'clock A M, and duly
recorded in Vol. M84 of Mortgages
Page 4184

EVELYN BIEHN, County Clerk

By Pam Smith Deputy

Fee 12.00