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THIS MORTGAGE, Made this 10th day of September, 1975, by John T. Schlumbohm and Sylvia E. Schlumbohm, husband and wife; and Finley D. Schlumbohm and Sandra K. Schlumbohm, husband and wife, to Laron P. Griggs and Erma Jean Griggs, husband and wife, Mortgagees,

WITNESSETH, That said mortgagor, in consideration of the sum of Fifty-Five Thousand, and 00/100 (\$ 55,000.00) Dollars to the mortgagor paid by the mortgagees, the said mortgagor does hereby grant, bargain, sell and convey unto the said mortgagees as joint tenants with the right of survivorship and not as tenants in common, their assigns and the heirs of the survivor of them, those certain premises situate in the County of Klamath and State of Oregon, and described as follows, to-wit:

Lots 11, 12 and 13 in Block 5 of LENOX,

together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any-wise appertaining; together with the rents, issues and profits therefrom and all fixtures now or hereafter placed or installed in or upon said described premises,

TO HAVE AND TO HOLD the same unto the said mortgagees as joint tenants with the right of survivorship and not as tenants in common, and to their assigns and the heirs of the survivor forever.

This mortgage is intended to secure the payment of one certain promissory note in words and figures substantially as follows:

\$55,000.00 Klamath Falls, Oregon September 10, 1975
I (or if more than one maker) we, jointly and severally, promise to pay to the order of Laron P. Griggs and Erma Jean Griggs, c/o First Federal Savings & Loan Association, Klamath Falls, Oregon, Fifty-Five Thousand, and 00/100 DOLLARS, with interest thereon at the rate of six percent per annum from September 15, 1975 until paid, payable in monthly installments, at the dates and in the amounts as follows: Not less than \$610.61 on October 15, 1975; and not less than \$610.61 on the 15th day of each month thereafter;

balloon payments, if any, will not be refinanced; interest to be paid with principal and ~~is included in~~ the payments above required; said payments shall continue until the whole sum hereof, principal and interest, has been paid; if any of said installments is not so paid, all principal and interest shall 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, I/we promise and agree to pay the reasonable attorney's fees and collection costs of the holder hereof, and if suit or action is filed hereon, also promise to pay (1) holder's reasonable attorney's fees to be fixed by the trial court and (2) if any appeal is taken from any decision of the trial court, such further sum as may be fixed by the appellate court, as the holder's reasonable attorney's fees in the appellate court.

It is the intention of the parties hereto that the said payees do not take the title hereto as tenants in common but with the right of survivorship, that is: on the death of any of the payees, the right to receive payment of the then unpaid balance of principal and interest shall vest absolutely in the survivor of them.

* Strike words not applicable.

After January 2, 1976, all or any portion may be prepaid without penalty.

s/ John T. Schlumbohm
s/ Sylvia E. Schlumbohm
s/ Finley D. Schlumbohm
s/ Sandra K. Schlumbohm

In construing this mortgage and the said note, the word "survivor" shall include survivors, the term "mortgagor" shall include mortgagors; the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine, the neuter, and all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to more than one individual; furthermore, the word "mortgagees" shall be construed to mean the mortgagees named above, if all or both of them be living, and if not, then the survivor or survivors of them, because it is the intention of the parties hereto that the said note and this mortgage shall be held by the said mortgagees as joint tenants with the right of survivorship and not as tenants in common and that on the death of one, the moneys then unpaid on said note as well as all rights and interests herein given to the mortgagees shall vest forthwith in the survivor of them.

The mortgagor warrants that the proceeds of the loan represented by the above described note and this mortgage are:

(a) primarily for mortgagor's personal, family, household or agricultural purposes (see Important Notice below);

(b) 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 mortgagees, and their successors in interest, that he is lawfully seized in fee simple of said premises and has a valid, unencumbered title thereto

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and will warrant and forever defend the same against all persons; that he will pay said note(s), principal and interest, according to the terms thereof; that while any part of said note(s) 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(s) 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 hereafter be erected on the premises insured in favor of the mort-

gagers against loss or damage by fire, with extended coverage, in the sum of \$ **full insurable value** in a company or companies acceptable to the mortgagees and will have all policies of insurance on said property made payable to the mortgagees as their interest may appear and will deliver all policies of insurance on said premises to the mortgagees as soon as issued; 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.

Now, therefore, it said mortgagor shall keep and perform the covenants herein contained and shall pay said note(s) 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(s); it being agreed that if the mortgagor shall fail to make any payment or 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 mortgagees shall have the option to declare the whole amount unpaid on said note(s) 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 mortgagees may at their 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(s), without waiver, however, of any right arising to the mortgagees for breach of covenant; and this mortgage may be foreclosed at any time while the mortgagor neglects to repay any sums so paid by the mortgagees.

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 sums 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 such sums to be secured by the lien of this mortgage and included in the decree of foreclosure.

In case suit or action is commenced to foreclose this mortgage, the court upon motion of the mortgagees, may appoint a receiver to collect the rents and profits arising out of said premises during the pendency of such foreclosure and apply the same to the payment of the amount due under the mortgage, first deducting all proper charges and expenses attending the execution of said trust.

Each and all of the covenants and agreements herein contained shall apply to, inure to the benefit of and bind the heirs, executors, administrators, successors in interest and assigns of said mortgagor and of said mortgagees respectively.

Mortgagors do hereby grant and convey unto the Mortgagees a security interest in all of the following-described personal property, together with replacements and additions thereto. Said security interest shall be subject to provisions of the Oregon Uniform Commercial Code:

1 Meat Block; 1 Meat Electric Saw; 1 Electric Sandwich Slicer; Meat Accessories, knives etc.; 1 Filing Cabinet; 1 Produce Cooler; 1 Ice Cream Freezer; 2 National Cash Registers; 2 30-Weight Scales; 2 Air Conditioners; 1 Potato Chip Rack; 1 Cookie Rack; 1 Picnic Supply Rack; 1 Broom and Mop Rack; 1 Oil Rack (car); 1 School Rack; 1 Light Globe and Polish Rack; 1 Spice Rack; 1 Drug Rack; 1 Magazine Rack; 1 Gift Card and Paper Rack; 1 Toy Display Rack; 1 Double Checker Outlet; 6 Floor Islands; 1 Upright Beer and Wine Cooler; 1 Pop Cooler; 1 Dairy Products Cooler; 2 Deep Freeze Coolers; 1 Walk-in Cooler; 1 Long Frozen Food Freezer; 1 Meat Display Container; 2 Cool Pop Cases (Coke and Pepsi Cola); 1 Floor Safe; All Inventory located on the premises as of Sept. 15, 1975.

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, the mortgagee MUST comply with the Truth-in-Lending Act and Regulation Z by making required disclosures; for this purpose, if this instrument is to be a FIRST lien to finance the purchase of a dwelling, use S-N Form No. 1305 or equivalent; if this instrument is NOT to be a first lien, use S-N Form No. 1306, or equivalent.

MORTGAGE

(Survivorship)
(FORM No. 691)

TO

STATE OF OREGON,

County of Klamath

I certify that the within instrument was received for record on the 15 day of Sept 1975, at 2:54 o'clock P.M., and recorded in book M. 75 on page 10954, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Wm D Milne

County Clerk Title.

Deputy.

STEVENS LAW PUB. CO., PORTLAND, ORE.

Ret to G+5

STATE OF OREGON,

County of Klamath

ss.

BE IT REMEMBERED, That on this 15 day of September, 1975, before me, the undersigned, a Notary Public in and for said county and state, personally appeared the within named John T. Schlumbohm and Sylvia E. Schlumbohm, husband and wife; and Finley D. Schlumbohm and Sandra K. Schlumbohm, husband and wife, known to me to be the identical individuals described in and who executed the within instrument and acknowledged to me that they executed the same for the purposes therein contained.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Willie J. Schumacher
Notary Public for Oregon.

My commission expires Oct 8, 1978

(Seal)

STATE OF OREGON
County