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THIS MORTGAGE, Made this 15 day of October, 1976, between  
 NYBACK'S FLOWERS, INC., a Corporation,  
 duly organized and existing under the laws of the State of Oregon and wife, hereinafter called the  
 Mortgagor, and REX Q. DAVIS, and EMMA M. DAVIS, Husband, hereinafter called the Mortgagee,  
 WITNESSETH, That said mortgagor, in consideration of Seventeen Thousand Seven Hun-  
dred Fifty and No/100ths Dollars, to it paid by said mortgagee, does hereby grant, bargain,  
 sell and convey unto said mortgagee, his heirs, executors, administrators, successors and/or assigns, that certain  
 real property situated in Klamath County, State of Oregon, bounded and described as follows:

The Easterly one-half of Lot 7, Block 36, Original  
 Town of Linkville, SAVING AND EXCEPTING that portion  
 of said Lot 7 conveyed by L. F. Willits and Laura A.  
 Willits to Charles E. Worden by Deed dated October  
 10, 1905 and recorded October 10, 1905 in Volume 18,  
 Page 499, records of Klamath County, Oregon and that  
 portion of said Lot 7 deeded by L. F. Willits and Laura  
 A. Willits to Odd Fellows Hall Association by deed dated  
 May 14, 1910 and recorded May 14, 1910 in Volume 29 on  
 page 183 records of Klamath County, Oregon, ALSO SAVING  
 AND EXCEPTING the Southeasterly 8 feet of said Lot 7  
 for alleyway, TOGETHER WITH Party Wall and Stairway  
 Easement, including the terms and provisions thereof,  
 as disclosed by Deed from Laura A. Willits, a widow,  
 to Claud H. Davis and Ethel L. Davis, dated June 30,  
 1945 and recorded August 22, 1946, in Volume 194, on  
 page 275, records of Klamath County, Oregon

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, successors and/or assigns forever.

This mortgage is intended to secure the payment of that promissory note of which the  
 following is a substantial copy:

PROMISSORY NOTE IS ATTACHED HERETO

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: 19.

And said mortgagor covenants to and with the mortgagee, his heirs, executors, administrators, successors and/or assigns, that  
 it 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 it will pay said note, principal and interest, accord-  
 ing to the terms thereof; that while any part of said note remains unpaid it 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 it 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 it will keep the buildings  
 now on or which hereafter may be erected on the said premises continuously insured against loss or damage by fire and such other  
 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 mortgagee may procure the same at mortgagor's expense; that it 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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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 upon a failure to perform any covenant herein, or if 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 claim 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 such 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, successors and/or 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 to the payment of the amount due under this mortgage, first deducting all proper charges and expenses attending the execution of said trust.

In construing this mortgage, it is understood that the 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.

IN WITNESS WHEREOF, NYBACK'S FLOWERS, INC. pursuant to a resolution of its Board of Directors, duly and legally adopted, has caused these presents to be signed by its President and Secretary, and its corporate seal to be hereunto affixed this 20 day of October, 1976.

NYBACK'S FLOWERS, INC.

By Alrick Nyback President

By Nina Nyback Secretary

# MORTGAGE

Corporation  
(FORM No. 75A)

TO

STATE OF OREGON

County of

I certify that the within instrument was received for record on the day of 1976, at o'clock P.M., and recorded in book on page or as file/reel number of Record of Mortgages of said County. Witness my hand and seal of County affixed.

Title

By

Deputy

STEVEN-NEES LAW PUB. CO., PORTLAND, ORE.

Klamath Co Title  
422 Main

(ORS 93.490)

STATE OF OREGON, County of Klamath ) ss.

Personally appeared ALRICK NYBACK and NINA NYBACK,

who being duly sworn (or affirmed) did say that he the

President and that she is the Secretary,

(President or other officer or officers)

of Nyback's Flowers, Inc.

(Name of corporation)

and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and he acknowledged said instrument to be its voluntary act and deed.

(OFFICIAL SEAL)

Before me:

Notary Public for Oregon.

My commission expires 8-5-79

16713

## PROMISSORY NOTE

\$17,750.00

Klamath Falls, Oregon

October 15, 1976

We, jointly and severally, promise to pay to the order of REX Q. DAVIS, and EMMA M. DAVIS, husband and wife, at Klamath Falls, Oregon, the sum of Seventeen Thousand Seven Hundred Fifty and no/100 Dollars (\$17,750.00), with interest thereon at the rate of eight percent (8%) per annum from October 15, 1976, until paid, payable in monthly installments of not less than \$200.00 per month in any one payment; interest shall be paid monthly and is included in the minimum payments above required; the first payment to be made on the 10th day of January, 1977, and a like payment to be made on the 10th day of each and every month thereafter, until the entire sum, both principal and interest is fully paid.

No prepayment shall be made upon this note except by the express written consent of the holder of this note.

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. In the event that we default in this agreement and as a result of that default this note is placed in the hands of an attorney for collection, we promise and agree to pay holder's reasonable attorney's fees and collection costs, even though no suit or action is filed hereon; however, if a suit or an 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.

NYBACK'S FLOWERS, INC., an  
Oregon corporation

By: Alrick Nyback President

By: Therese Nyback Secretary

STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 20th day of OCTOBER A.D., 1976 at 3:57 o'clock P.M., and duly recorded in Vol. N 76 of mortgages on Page 16711.

FEE \$ 9.00

WM. D. MILNE, County Clerk

By: Hazel D. Dwyer Deputy