

MORTGAGE AND COLLATERAL SECURITY AGREEMENT

THIS MORTGAGE made the 19 day of April, 1982,
between JOHN KRUNGLEVICH and BEVERLY KRUNGLEVICH, husband
and wife, hereinafter referred to as Mortgagors; and AMERICAN
AMUSEMENT, INC., an Oregon corporation, hereinafter referred
to as Mortgagee; whereby Mortgagors hereby grant to Mortgagee
the mortgage on the following described real property situate
in Klamath County, Oregon, to-wit:

portion SW1/4 NW1/4 Section 1, Township 39 South,
Range 9 - EWM - Klamath Falls, Klamath County, Oregon,
known as 2217 Ogden.

1. CONSIDERATION. This mortgage is for and constitutes
additional consideration for the sale by Mortgagee to Mortgagors
under installment contract of certain personal property
belonging to American Amusement, Inc., which contract was
entered on the 19 day of April, 1982, between American
Amusement, Inc., as Seller and John Krunglevich and Beverly
Krunglevich as Purchasers. This mortgage is given by Mortgagors
to Mortgagee to pledge collateral security as and for Mortgagors
faithful performance under the terms of that contract and
agreement.

2. REPAYMENT. This conveyance is intended as a mortgage
to secure the payment of the sum of Two Hundred Sixty Two
Thousand (\$262,000.00) Dollars in accordance with the terms

\$ 262,000.00 April 19 82
~~XXXXXX~~ We, jointly and severally, promise to pay to the order of Frederick H. Lange, Jr.
and Frances D. Lange at
Two Hundred Sixty Two Thousand (\$262,000.00) DOLLARS,
with interest thereon at the rate of 12 percent per annum from April 1982 until paid, payable in
weekly installments, at the dates and in amounts as follows: The first installment of
Two Thousand Five Hundred (\$2,500.00) Dollars including accrued interest,
which interest accrues daily from April 1982, on the unpaid balance
until paid, shall be due on the 23rd day of April, 1982, with subsequent
installments due and payable on each and every successive Friday of every
week until the entire unpaid balance of the contract together with accrued
interest is paid in full.
balloon payments, if any, will not be refinanced; interest shall be paid and ~~XXXXXX~~
the payments above required, which shall continue until this note, principal and interest, is fully paid; 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, 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.

and further as security for all covenants, conditions and warranties given under the terms of the contract of sale.

3. COLLATERAL SECURITY ONLY. It is expressly agreed between Mortgagors and Mortgagee that this mortgage creates a collateral security agreement only and that by its terms this does not constitute a purchase money mortgage nor an instrument upon which any loan is being made.

4. DUTIES. If the Mortgagors shall faithfully perform all acts and things to be done under the terms of the contract, perform all obligations by them entered or to be entered into promptly, punctually and according to the terms of the underlying contract, make all installment payments due therein, and should otherwise successfully retire the outstanding obligations due on or before the time set for completion, and shall not in any way expressly, impliedly violate or permit the terms or conditions of the contract to be violated, then this mortgage shall be satisfied; otherwise it shall remain in full force and effect as a mortgage, secondary only to those previously given.

John Krunglevich
JOHN KRUNGLEVICH

Beverly Krunglevich
BEVERLY KRUNGLEVICH

STATE OF OREGON)
County of Klamath) ss

Personally appeared the within named John Krunglevich and Beverly Krunglevich 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 freely and voluntarily.

Before Me:

Barbara
NOTARY PUBLIC FOR OREGON

My Commission Expires Feb 3, 1983

STATE OF OREGON; COUNTY OF KLAMATH; ss
I hereby certify that the within instrument was received and filed for record on the 30 day of April A.D., 1982 at 4:23 o'clock P M and duly recorded in Vol M 82, of Mtge on page 5413

FEE \$ 8.00

EVELYN BIEHN COUNTY CLERK
by *John Krunglevich* Deputy

*Pat
agued
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Call
5-5-82*