

THIS MORTGAGE, Made this 25TH day of JULY, 1986, as tenants by the entirety to SOUTH VALLEY STATE BANK, hereinafter called Mortgagor,

WITNESSETH, That said mortgagor, in consideration of ONE HUNDRED THOUSAND and NO/100----- hereinafter called Mortgagee, with rights to renewals and future advances 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:

Lot 3 of Kielsmeier Acres, Tract

Lot 3 of Kielsmeier Acre Tracts, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Excepting the Easterly 30 feet thereof. And also excepting therefrom that portion deeded to State of Oregon, by and through its State of Highway Commission more particularly described in Volume 352, page 245, and corrected in Volume 354, page 265, all Deed Records of Klamath County, Oregon.

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE OF PAGE)

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE SIDE)

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 and assigns forever.

This mortgage shall be void if the premises hereinafter described are not situated in the County of _____, State of _____.

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE SIDE)

This mortgage is intended to secure the payment of a certain sum of money.

This mortgage is intended to secure the payment of a certain promissory note, described as follows:

Note executed by James L. and Marsha M. Cobine, dba Action Amusement dated July 25, 1986 with maturity of August 1, 1991. 60 payments of \$1,100.00 to be made with balloon at maturity. Note is in the amount \$100,000.00.

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:

The mortgagor warrants that the proceeds of the loan represented by the above described note and this mortgage are:
 (a) ~~for the purchase of real property~~ for the purchase of real property and
 (b) ~~for an organization or corporation~~ for an organization or corporation if mortgagor is a natural person and, if not, important, noting
 And said mortgagor covenants to

(b) for an organization or (even if mortgagor is a natural person) are for business or commercial purposes (see Important Notice below),
 And said mortgage 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

[illegible]

to be foreclosed at any time thereafter, and if the mortgagee fails to declare the whole amount unpaid on said note and on this mortgage at once and the payment 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 principal 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 mortgagee 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 losing party in such suit or action agrees to pay all reasonable costs incurred by the prevailing party therein for title reports and title search, all statutory costs and disbursements and such further sums as the trial court may adjudge reasonable as the prevailing party's attorney's fees in such suit or action, and if an appeal is taken from any judgment or decree entered therein the losing party further promises to pay such sum as the appellate court shall adjudge reasonable as the prevailing party's attorney's fees on such appeal, all such sums to be included in the court's decree. Each and all of the covenants and agreements herein contained shall apply to and bind the heirs, executors, administrators and assigns of said mortgagee 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 first deducting all proper charges and expenses attending the execution of said trust, as the court may direct in its judgment or decree.

In construing this mortgage, it is understood that the mortgagee 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 these provisions hereof apply equally to corporations and to individuals.

IN WITNESS WHEREOF

In construing this mortgage, it is understood that the mortgagee or mortgagees 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 this provisions hereof apply equally to corporations and to individuals.

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** equivalent; if this instrument is **NOT** to be a first lien, use S-N Form No. 1306 or No. 1306, or equivalent.

STATE OF OREGON, County of Klamath

Personally appeared the above named James I. Col

and acknowledged it. E. Cobine and Marsha M. Cobine

(NOTARIAL SEAL)

Before me: Anda Stille

My commission expires:

Notary Public for Oregon

MORTGAGE

COBINE

TO

SOUTH VALLEY STATE BANK

AFTER RECORDING RETURN TO

SOUTH VALLEY STATE BANK
5215 SOUTH SIXTH STREET
KLAMATH FALLS OR 97603

(DON'T USE THIS
SPACE; RESERVED
FOR RECORDING
LABEL IN COUN-
TRIES WHERE
USED.)

Fee: \$5.00

STATE OF OREGON,
County of Klamath } ss.

I certify that the within instrument was received for record on the 11th day of August, 1986 at 8:41 o'clock A.M., and recorded in book/reel/volume No. M86 on page. 14066 or as document/fee/file/instrument/microfilm No. 64601
Record of Mortgages of said County.

Witness my hand and seal of
County affixed.

Evelyn Biehn, County Clerk

By John Smith Deputy