

FORM No. 8—MORTGAGE.

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22398

Vol. 0790 Page 22418

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THIS INDENTURE, Made this 1st day of October, 19 90,
between DAVID J. KRAAN and JOANNE E. KRAAN

as mortgagor, and DONALD W. STREUN and JEAN STREUN as mortgagee,

WITNESSETH, That the said mortgagor for and in consideration of the sum of

~~xx Dollars (\$XXXXXXXXXXXXXX) to him~~

~~paid by the said mortgagee~~, does hereby grant, bargain, sell and convey unto the said mortgagee, his successors
and assigns, those certain premises situated in the County of Klamath, and State of
Oregon, and described as follows:

Lot 7, Block 8, KLAMATH RIVER ACRES, in the
County of Klamath, State of Oregon.

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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 successors and assigns forever.

THIS CONVEYANCE is intended as a mortgage to secure the payment of the sum of.....
 TWENTY-FIVE THOUSAND DOLLARS
 (\$ 25,000. ---) in accordance with the terms of that
 following is substantially a true copy, to-wit: attached hereto.

The promissory note shall become due and payable in full upon the conveyance or other transfer of the property described above or any interest therein.

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: September 1, 2000; ~~to-wit~~

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 or household purposes (see Important Notice below)~~
 (b) for an organization or (even if mortgagor is a natural person) are for business or commercial purposes.

This indenture is further conditioned upon the faithful observance by the mortgagor of the following covenants hereby expressly entered into by the mortgagor, to-wit:

That mortgagor is lawfully seized of said premises, and now has a valid and unincumbered fee simple title thereto,

except for the Trust Deed in favor of Klamath First Federal Savings and Loan Association securing indebtedness in the amount of \$64,000.

and that he will warrant and defend the same against the claims and demands of all persons whomsoever;

That he will pay the said promissory note and all installments of interest thereon promptly as the same become due, according to the tenor of said note;

That so long as this mortgage shall remain in force he will pay all taxes, assessments, and other charges of every nature which may be levied or assessed upon or against the said premises when due and payable, according to law, and before the same become delinquent, and will also pay all taxes which may be levied or assessed on this mortgage or the debt thereby secured, and will promptly pay and satisfy any mechanics' liens or other incumbrances that might by operation of law or otherwise become a lien upon the mortgaged premises superior to the lien of this mortgage;

That he will keep all the improvements erected on said premises in good order and repair and will not commit or suffer any waste of the premises hereby mortgaged. 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.

That so long as this mortgage shall remain in force he will keep the buildings now erected, or any which may hereafter be erected on said premises insured against loss or damage by fire, with extended coverage, to the extent of \$89,000.00 in some company or companies acceptable to said mortgagee and for the benefit of both parties hereto as their interests may appear, and will deliver all the policies and renewals thereof to said mortgagee.

NOW, THEREFORE, if the said mortgagor shall pay said promissory note and shall fully satisfy and comply with the covenants hereinbefore set forth, then this conveyance shall be void, but otherwise to remain in full force and virtue as a mortgage to secure the payment of said promissory note in accordance with the terms thereof and the performance of the covenants and agreements herein contained; it being agreed that any failure to make any of the payments provided for in said note or this mortgage when the same shall become due or payable, or to perform any agreement herein contained, shall give to the mortgagee the option to declare the whole amount due on said note, or unpaid thereon or on this mortgage, at once due and payable and this mortgage by reason thereof may be foreclosed at any time thereafter. And if the said mortgagor shall fail to pay any taxes or other charges or any lien or insurance premium as herein provided to be done, the mortgagee shall have the option to pay the same and any payment so made shall be added to and become a part of the debt secured by this mortgage, and draw interest at the rate of ten per cent per annum, without waiver, however, of any right arising from breach of any of the covenants herein.

In case a complaint is filed in a suit brought to foreclose this mortgage, the court shall, upon motion of the holder of the mortgage, without respect to the condition of the property herein described, appoint a receiver to collect the rents and profits arising out of said premises, and apply such rents and profits to the payment and satisfaction of the amount due under this mortgage, first deducting all proper charges and expenses of the receivership.

* 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, use Stevens-Ness Form No. 1319 or equivalent.

In the event of any suit or action being instituted to foreclose this mortgage, the losing party agrees to pay such sum as the trial court may adjudge reasonable as attorney's fees to be allowed the prevailing party in such suit or action and in the event of any appeal, the losing party agrees to pay such sum as the appellate court shall adjudge reasonable as the prevailing party's attorney's fees on such appeal; in any event the mortgagor agrees to pay all reasonable costs incurred by the mortgagee for title reports and title search, all such sums to be secured by the lien of this mortgage and included in the decree of foreclosure.

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 shall be taken to mean and include the plural, the masculine pronoun shall mean 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, the mortgagor has executed this instrument this 1st day of October, 19 90; if a corporate mortgagor, it has caused its name to be signed and seal affixed by its officers, duly authorized thereto by order of its board of directors.

David J. Kraan
David J. Kraan

Joanne E. Kraan
Joanne E. Kraan

(If the signer of the above is a corporation,
use the form of acknowledgment opposite.)

STATE OF OREGON,

County of KLAMATH

} ss.

This instrument was acknowledged before me on

OCT 1, 19 90, by

David J. Kraan and
Joanne E. Kraan

Daniel F. Carnevale
Notary Public for Oregon

(SEAL)

STATE OF OREGON,

County of _____

} ss.

This instrument was acknowledged before me on _____

19____, by _____

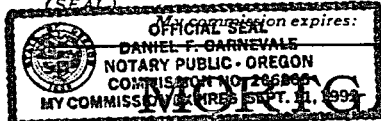
as _____

of _____

Notary Public for Oregon

My commission expires: _____

(SEAL)



David J. Kraan and
Joanne E. Kraan

TO

Donald W. Streun and
Jean Streun

AFTER RECORDING RETURN TO

Ronald L. Greenman
Tonkon, Torp, Galen, Marmaduke & Booth
1600 Pioneer Tower
888 SW Fifth Avenue
Portland, OR 97204-2099

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON, } ss.
County of _____

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 fee/file/instrument/microfilm/reception No. _____.
Record of Mortgages of said County.

Witness my hand and seal of County affixed.

NAME

TITLE

By _____ Deputy

EXHIBIT B-2 TO
PURCHASE AND SALE AGREEMENT

Klamath Falls Location

PROMISSORY NOTE

\$25,000.00

Portland, Oregon
October 1, 1990

The undersigned, DAVID J. KRAAN, and JOANNE E. KRAAN, jointly and severally, promise to pay to the order of VIDEO AFFILIATES LIMITED or assigns the sum of TWENTY-FIVE THOUSAND DOLLARS (\$25,000) payable \$330.38 per month on the first day of each month commencing November 1, 1990 and on the first day of each month thereafter through October 1, 2000 until paid in full. Each payment shall be credited first to interest at the rate of 10 percent per annum, and thereafter to principal. This note is prepayable in whole or in part at any time. If any payment hereunder is not paid within fifteen (15) days of its due date, all amounts then outstanding hereunder shall become immediately due and payable upon demand.

If the holder of this Note is required to institute collection proceedings after any failure to make any payment within fifteen (15) days of its due date, this Note shall thereafter bear interest at 14 percent per annum until paid in full and the undersigned promises to pay the holder's reasonable attorney fees and collection costs incurred at the pretrial, trial or appellate levels of any such proceeding.

The undersigned hereby waives presentment, and authorizes the holder to grant indulgences from time to time, all without waiving any rights hereunder.

This Note is secured by a security interest in certain assets and a Mortgage on certain real property pursuant to a Purchase and Sale Agreement entered into between the maker and payee of even date herewith and is subject to acceleration according to the terms thereof.

STATE OF OREGON,
County of Klamath ss.

David J. Kraan
David J. Kraan

Filed for record at request of:

Ronald L. Greenman
on this 8th day of Nov. A.D., 19 90
at 2:08 o'clock P.M. and duly recorded
in Vol. M90 of Mortgages Page 22418
Evelyn Biehn
County Clerk

Joanne E. Kraan
Joanne E. Kraan

By Pauline Muelendore

Deputy.

Fee, \$28.00