

THIS MORTGAGE, Made this 10th day of February, 1981, by John E. Johnson and Deborah A. Johnson, husband and wife, Mortgagor, to United Pacific Insurance Company, a Washington corporation, Mortgagee,

WITNESSETH, That said mortgagor, in consideration of One and No/100th 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:

Parcel 1

A parcel of land situated in the SW $\frac{1}{4}$ of Section 34 and the SE $\frac{1}{4}$ of Section 33, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a 5/8" iron pin on the Easterly right of way line of Washburn Way from which the SW corner of said Section 34 bears the following two bearings and distances: South 89°54'58" West 30.00 feet, South 00°10'55" East 1330.37 feet more or less, thence from said point of beginning North 89°54'58" East 290.00 feet to a 5/8" iron pin, thence South 00°10'55" East 422.40 feet, thence South 89°54'58" West 371.52 feet to a point on the Easterly right of way line of said Washburn Way, said point also being on a 602.96 feet radius curve, from which the radius point bears North 60°02'32" West 602.96 feet, thence along the Easterly right of way line of said Washburn Way and along the arc of a 602.96 feet radius curve to the left (Delta=30°08'23", Long Chord=North 14°53'16" East 313.53 feet) 317.18 feet to a 5/8" iron pin, thence continuing along the Easterly right of way line of said Washburn Way North 00°10'55" West 119.51 feet to the point of beginning.

Parcel 2

A parcel of land situated in the SW $\frac{1}{4}$ of Section 34, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a 1/2" square iron pin marking the SW corner of Falcon Heights School property and the Easterly right of way line of Washburn Way, from which the SW corner of said Section 34 bears the following two bearings and distances: South 39°54'58" West 30.00 feet, South 00°10'55" East 1480.55 feet more or less, thence from said point of beginning North 89°54'58" East 290.00 feet to a 5/8" iron pin, thence South 00°10'55" East 150.21 feet to a 5/8" iron pin, thence South 89°54'58" West 290.00 feet to a 5/8" iron pin on the Easterly right of way line of said Washburn Way, thence North 00°10'55" West along the Easterly right of way of said Washburn Way 150.21 feet to the point of beginning.

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 and assigns forever.

This mortgage is intended to secure the payment and performance of all obligations according to the terms of that certain "Continuing Agreement of Indemnity - Contractor's Form" dated February 26, 1979.

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: on demand, 19 .

And said mortgagor covenants to and with the mortgagee, his heirs, executors, administrators and assigns that he is lawfully seized in fee simply of said premises and has a valid title thereto except encumbrances of record and will warrant and forever defend the same against all persons; that he will pay said note, principal and interest, according to the terms thereof; that while any part of said note 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 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 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 he 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.

The mortgagee 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.

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 a failure 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 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 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 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 sums as the appellate court shall adjudge reasonable as plaintiff's attorney's fees on such appeal, all 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 and 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, after first deducting all of said receiver's proper charges and expenses, to the payment of the amount due under this mortgage.

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 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.

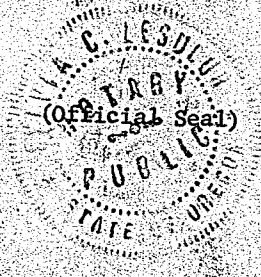
IN WITNESS WHEREOF, said mortgagor has hereunto set his hand the day and year first above written.

Deborah A. Johnson
John S. Johnson

STATE OF OREGON)
County of Klamath } ss

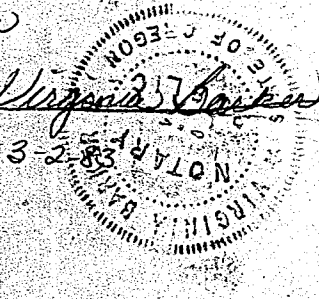
Feb. 23, 1981

Personally appeared the above named ~~John S. Johnson~~ Deborah A. Johnson and acknowledged the foregoing instrument to be their voluntary act and deed.



Before me:
John C. Lesueur
Notary Public for Oregon
My commission expires 10/25/82

John C. Johnson
Notary Public Virginia



After recording return to:

United Pacific Insurance Company
33405 - 8th Avenue South
C-3000
Federal Way, Washington 98003
Attention: J. L. Noyes

WITNESSED, COUNTY OF KLAMATH, ss.
Filed for record at request of _____
this 10th day of March, A.D. 1981 at 2:41 o'clock P., and
duly recorded in Vol. M81 of Mtg. on Page 4266.

Fee \$10.50

EVELYN BIEHN, County Clerk
By Debra A. Johnson

RECEIVED
MAR 2 1981
CLERK

410.50
OK