

THIS INDENTURE, MADE THIS 25th DAY OF SEPTEMBER, 19 86 BETWEEN

KENNETH & DELORES KUHLMAN

AS MORTGAGOR, AND, AMWEST SURETY INSURANCE COMPANY

AS MORTGAGEE, IN WITNESS WHEREOF, THE PARTIES HAVE HEREIN SET THEIR HANDS AND AFFIXED THEIR RESPECTIVE SIGNS, SEALS AND STAMPS, AT THE CITY OF PORTLAND, CLATSOP COUNTY, OREGON, THIS 25th DAY OF SEPTEMBER, 1986.

WITNESSETH, THAT THE SAID MORTGAGOR FOR AND IN CONSIDERATION OF THE EXECUTION OF VARIOUS BONDS ON BEHALF OF KUHLMAN INSULATION CO.

BY THE SAID MORTGAGEE, DOES HEREBY GRANT, BARGAIN, SELL AND CONVEY UNTO THE SAID MORTGAGEE, SUCCESSORS AND ASSIGNS THOSE CERTAIN PREMISES SITUATED IN THE COUNTY OF KLAMATH, AND STATE OF OREGON, AND DESCRIBED AS FOLLOWS:

SEE LEGAL DESCRIPTION ATTACHED

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 REVENUE, 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 PAYMENT OF ALL SUMS WHICH MAY BECOME DUE UNDER THE GENERAL INDEMNITY AGREEMENT DATED SEPTEMBER 17, 1986, THE TERMS OF WHICH ARE INCORPORATED HEREIN.

THE MORTGAGOR WARRANTS THAT THE MORTGAGE IS FOR AN ORGANIZATION OR (EVEN IF MORTGAGOR IS A NATURAL PERSON) ARE FOR BUSINESS OR COMMERCIAL PURPOSES OTHER THAN AGRICULTURAL 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,

AND THAT HE WILL WARRANT AND DEFEND THE SAME AGAINST THE CLAIMS AND DEMANDS OF ALL PERSONS WHOMEVER;

THAT HE WILL PAY ALL SUMS DUE UNDER THE GENERAL INDEMNITY AGREEMENT AND ALL INSTALLMENTS OF INTEREST THEREON PROMPTLY AS THE SAME BECOME DUE, ACCORDING TO THE TENOR OF SAID AGREEMENT;

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 COSTS 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 THE MARKET VALUE 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 ALL SUMS WHICH MAY BECOME DUE UNDER THE GENERAL INDEMNITY AGREEMENT 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 ALL SUMS DUE IN ACCORDANCE WITH THE TERMS OF THE GENERAL INDEMNITY AGREEMENT AND THE PERFORMANCE OF THE COVENANTS AND AGREEMENTS HEREIN CONTAINED; IT BEING AGREED THAT ANY FAILURE TO PERFORM ANY OF THE TERMS OF THE GENERAL INDEMNITY AGREEMENT 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 AGREEMENT, 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 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 INTER-

96 OCT 2 PM 3 50
130 98

EST AT RATE OF TEN PERCENT 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.

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 17 DAY OF SEPTEMBER, 19 86; 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.

[Handwritten signatures of Kenneth Kuhlman and Delores Kuhlman]

(IF EXECUTED BY A CORPORATION, AFFIX CORPORATE SEAL)

STATE OF OREGON)
COUNTY OF KLAMATH)ss.
SEPTEMBER 22, 19 86

STATE OF OREGON, COUNTY OF _____)ss.
PERSONALLY APPEARED _____, 19 ____.

PERSONALLY APPEARED THE ABOVE NAMED
KENNETH KUHLMAN
DELORES KUHLMAN
AND ACKNOWLEDGED THE FOREGOING INSTRUMENT
TO BE THEIR VOLUNTARY ACT AND DEED.

WHO, BEING DULY SWORN, EACH
FOR HIMSELF AND NOT ONE FOR THE OTHER, DID SAY THAT THE FORMER IS THE
PRESIDENT AND THAT THE LATTER IS THE
SECRETARY OF _____

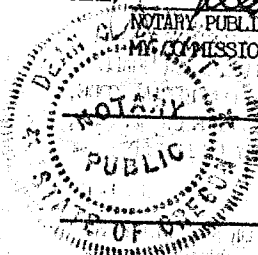
BEFORE ME:
(OFFICIAL
SEAL)

A 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 EACH OF THEM ACKNOWLEDGED SAID INSTRUMENT TO BE ITS VOLUNTARY ACT
BEFORE ME:

NOTARY PUBLIC FOR OREGON

MY COMMISSION EXPIRES 3/29/88

NOTARY PULIC FOR OREGON MY COMMISSION EXPIRES _____ (OFFICIAL SEAL)



MORTGAGE

STATE OF OREGON,
COUNTY OF _____)ss.
I CERTIFY THAT THE WITHIN INSTRUMENT WAS RE-
CEIVED FOR THE RECORD ON THE _____ DAY OF
_____, 19____, AT
O'CLOCK _____ M., AND RECORDED IN BOOK _____ ON
PAGE _____ OR AS FILE/REEL NUMBER _____
RECORD OF MORTGAGES OF SAID COUNTY.
WITNESS MY HAND AND SEAL OF COUNTY AFFIXED.

RECORDING OFFICER
BY _____

DEPUTY

SPACE ABOVE RESERVED FOR RECORDER'S USE

AFTER RECORDING RETURN TO:

THE BOND EXPERTS
P. O. BOX 15319
PORTLAND, OREGON 97215

18023

The Northeast $21 \frac{2}{3}$ feet of Lot 7 and the Southwest $21 \frac{2}{3}$ feet of Lot 8, Block 60 of Nichols Addition to the City of Klamath Falls, according to the official plat thereof, records of Klamath County, Oregon, and more particularly described as follows:

Beginning at the most Northerly corner of Lot 7, of Block 60, of Nichols Addition to the City of Klamath Falls, Oregon, thence Northeasterly along the Southeasterly line of Grant Street in said City $21 \frac{2}{3}$ feet; thence Southeasterly at right angles to Grant Street 120 feet; thence Southwesterly parallel with Grant Street $43 \frac{1}{3}$ feet; thence Northeasterly along the Southeasterly line of Grant Street $21 \frac{2}{3}$ feet to the place of beginning.

and as of September 16, 1986 at 8:00 A.M.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the 2nd day
of October A.D., 19 86 at 3:50 o'clock P M., and duly recorded in Vol. M86
of Mortgages on Page 13021.

FEE \$13.00

Evelyn Biehn, County Clerk
By *[Signature]*