

THIS INDENTURE MADE THIS 22ND DAY OF JUNE, 1989, BETWEEN DAN H. & CYNTHIA L. KINSMAN, 4983 HIGHWAY 89, KLAMATH FALLS, OR 97603, AS MORTGAGOR, AND AMWEST SURETY INSURANCE COMPANY, P.O. BOX 4500, WOODLAND HILLS, CA 91365 AS MORTGAGEE, WITNESSETH, THAT THE SAID MORTGAGOR, FOR AND IN CONSIDERATION OF THE EXECUTION OF VARIOUS BONDS ON BEHALF OF KINSMAN CONSTRUCTION, 4983 HIGHWAY 89, KLAMATH FALLS, OR 97603 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:

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 PAYMENT OF ALL SUMS WHICH MAY BECOME DUE UNDER THE GENERAL INDEMNITY AGREEMENT DATED JUNE 2, 1989, 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 UNENCUMBERED 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

79 JUN 12 AM 10 27

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 INTEREST AT A 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 2 DAY OF JUNE, 19 89; 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.

IF EXECUTED BY A CORPORATION, SIGN AND SEAL
AFFIX CORPORATE SEAL

STATE OF OREGON, COUNTY OF Clatsop, ss. James L. H. & Cynthia L. Kinsman, 19 89 PERSONALLY APPEARED

PERSONALLY APPEARED THE ABOVE NAMED DAN H. & CYNTHIA L. KINSMAN 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

AND ACKNOWLEDGED THE FOREGOING INSTRUMENT TO BE THEIR VOLUNTARY ACT AND DEED, 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 (OFFICIAL SEAL) MY COMMISSION EXPIRES 3/3/93 NOTARY PUBLIC FOR OREGON MY COMMISSION EXPIRES

MORTGAGE

STATE OF OREGON,
COUNTY OF

I CERTIFY THAT THE WITHIN INSTRUMENT WAS RECEIVED FOR THE RECORD ON THE 2 DAY OF JUNE, 19 89, AT 10 O'CLOCK A.M., AND RECORDED IN BOOK 10 PAGE 10 OR AS FILE/REEL NUMBER 10 RECORD OF MORTGAGES OF SAID COUNTY. WITH 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
PO BOX 12729
PORTLAND, OR 97212



600 Main Street
Klamath Falls, Oregon 97601
(503) 884-5137

Order No.: 33455
LOT BOOK SERVICE
Premium: \$ 100.00
Date: June 06, 1989

The Bond Experts
P. O. Box 12729
Portland, Oregon 97212

Attention: Kevin
Regarding:

We have searched our Tract Indices as to the following described property:

A tract of land situated in the NW 1/4 of Section 18, Township 39 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at the Northwest corner of said Section 18; thence South 00 degrees 01' 10" West along the West line of said Section 18, 2132.47 feet; thence South 89 degrees 51' 42" East 2034.90 feet to the true point of beginning; thence North 00 degrees 00' 23" East 404.05 feet; thence South 89 degrees 55' 23" East 269.25 feet, more or less; thence South 00 degrees 00' 23" West 404.05 feet, more or less; thence North 89 degrees 55' 23" West 269.25 feet more or less to the true point of beginning.

and as of May 18, 1989 at 5:00 P.M., we find that the last Deed of Record runs to: DAN H. KINSMAN and CYNTHIA L. KINSMAN, as tenants by the entirety.

We also find the following encumbrances within ten years prior to effective date thereof:

1. Rights of the public in and to any portion of the herein described premises lying within the boundaries of roads or highways.

RECEIVED JUN 8 1989

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of The Bond Experts the 12th day
of June A.D. 19 89 at 10:27 o'clock A.M., and duly recorded in Vol. M89
of Mortgages on Page 10391
By Evelyn Biehn County Clerk
Dorlene Mullins

FEE \$18.00