

THIS INDENTURE, MADE THIS 10 DAY OF JULY, 1989 BETWEEN HAROLD BUFF & DARLETT RUNNELS JAMES AS MORTGAGOR, AND, AMVIST SURETY INSURANCE COMPANY PO 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 RS REFORESTATION COMPANY 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:

The Southwesterly 1/2 of Lot 6 and all of Lots 7, 8, 9, 10, and 11 in Block 10 and Lots 1, 2, 3, 4, 5, 6, in Block 14 of Riverside Addition to the City of Klamath Falls.

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 MAY 6, 1987, 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

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 10 DAY OF JULY, 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.

Harold Buff Runnels
Darle Runnels

IF EXECUTED BY A CORPORATION,
AFFIX CORPORATE SEAL

STATE OF OREGON,
COUNTY OF Klamath ss.

July 26, 19 89
Harold Buff Runnels

PERSONALLY APPEARED THE ABOVE
NAMED HAROLD BUFF RUNNELS &

DARLE RUNNELS

AND ACKNOWLEDGED THE FOREGOING
INSTRUMENT TO BE THEIR VOLUNTARY

ACT AND DEED
BEFORE ME:

Harlan J. Hedley

NOTARY PUBLIC FOR OREGON (SEAL)

MY COMMISSION EXPIRES 3-22-93

STATE OF OREGON, COUNTY OF _____ ss.

PERSONALLY APPEARED _____, 19 ____.

WHO, BEING DULY SWORN, EACH

FOR HIMSELF AND NOT ONE FOR THE OTHER, DID SAY THAT THE FOR-

MER IS THE _____ PRESIDENT AND THAT THE

LATTER IS THE _____ SECRETARY OF

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 COR-

PORATION BY AUTHORITY OF ITS BOARD OF DIRECTORS; AND EACH OF

THEM ACKNOWLEDGED SAID INSTRUMENT TO BE ITS VOLUNTARY ACT

BEFORE ME:

(OFFICIAL SEAL)

NOTARY PUBLIC FOR OREGON MY COMMISSION EXPIRES _____

MORTGAGE

TO

AFTER RECORDING RETURN TO:

THE BOND EXPERTS

PO BOX 12729

PORTLAND, OR 97212

STATE OF OREGON,
COUNTY OF Klamath

I CERTIFY THAT THE WITHIN INSTRUMENT WAS RE-

CEIVED FOR THE RECORD ON THE 28th DAY OF

Aug., 1989, AT 11:28

O'CLOCK AM., AND RECORDED IN BOOK M89 ON

PAGE 16051 OR AS FILE/REEL NUMBER 4453,

RECORD OF MORTGAGES OF SAID COUNTY.

WITNESS MY HAND AND SEAL OF COUNTY AFFIXED.

Evelyn Biehn, County Clerk

RECORDING OFFICER

BY Debrae Mullendore DEPUTY

SPACE ABOVE RESERVED FOR RECORDER'S USE

Fee \$13.00