

## EXTENSION OF MORTGAGE, TRUST DEED OR LAND SALE CONTRACT

THIS AGREEMENT, made and entered into this 28<sup>th</sup> day of February, 1991, by and between UNITED PACIFIC INSURANCE COMPANY, a Washington corporation, hereinafter called First Party, and JOHN E. JOHNSON and DEBORAH A. JOHNSON, husband and wife, hereinafter called Second Party, and DON E. JOHNSON and MURIEL A. JOHNSON, husband and wife, hereinafter called Third Party, and DON E. JOHNSON CONSTRUCTION, INC., an Oregon corporation, hereinafter called Fourth Party;

## WITNESSETH:

RECITALS: On or about February 26, 1979, Second, Third, and Fourth parties (hereinafter called Obligors) made, executed and delivered to First Party an Obligation (denominated, "Continuing Agreement of Indemnity-Contractor's Form", hereinafter referred to as the "Obligation"); thereafter, Second, Third and Fourth Parties executed and delivered to First Party certain obligations, security agreements, and encumbrances, including, but not limited to, a certain Mortgage, dated February 10, 1981, recorded on the 10th day of March, 1981, in Vol. M-84 at Page 4226 thereof or as Instrument No: 96932, Mortgage Records of Klamath County, Oregon, reference to which said recorded document is hereby made.

The First Party herein currently is the owner and holder of said Obligation and Mortgage; the Second Party herein is the said Obligor pursuant to the said Mortgage, and the current owner of the real property described in said Mortgage. The Third Party and Fourth Party are additionally liable for the payment of the "Obligation", either as surety, endorser, guarantor, or otherwise. The principal balance of said "Obligation" now unpaid is in excess of the sum \$300,000.00.

The Second Party has requested the release of all security interests, encumbrances, liens and any and all other security interests arising from out of the "Obligation" and a determination of a specific sum to be due and owing from Second, Third, and Fourth Parties to First Party pursuant to such "Obligation". The First Party is willing to grant such request, excepting only that First Party is unwilling to release, pursuant to this agreement, any interest acquired by First Party in a certain Contract for the Sale of Real Property, dated July 9, 1979, between Donald E. Johnson and Muriel A. Johnson, husband and wife, as Seller, and Scott A. Reed and Donna M. Reed, husband and wife, as Buyer, which contract is recorded in the Deed Records of Klamath County, Oregon, in Vol. M-79, at Page 22766, or to reduce the amount of the "Obligation" secured by such assignment.

NOW, THEREFORE, for value received, the receipt of which hereby is acknowledged by the First Party, the First Party hereby agrees that the payment of the current unpaid balance of the above-described "Obligation" shall be as follows:

(A) The principal balance secured by the Assignment to First party of that certain Contract for Sale of real property, dated July 9, 1979, between Donald E. Johnson and Muriel A. Johnson, husband and wife, as Seller, and Scott A. Reed and Donna M. Reed, husband and wife, as Buyer, which contract is recorded in the Deed Records of Klamath County, Oregon, in Vol. M-79 at Page 22766, shall remain unchanged, and shall continue to serve as security for repayment of the "Obligation".

B. All parties hereto agree that the "Obligation" shall be further secured by that certain mortgage, dated February 10, 1981, and recorded at Vol. M-81, at Page 4266 or as Document No. 96932. The said Mortgage, dated February 10, 1981, shall be deemed to

secure, effective the date of this Agreement, the unpaid balance of \$7,500.00.

(i) The parties hereto further agree that the said sum of \$7,500.00 shall be payable by Second Party to First Party as follows:

(a) Upon recordation hereof, Second Party shall be required to pay First Party the sum of \$4,000.00.

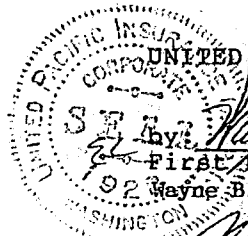
(b) The remaining balance of \$3,500.00 shall be paid by Second Party to First Party in annual installments in the sum of \$1,000.00 per twelve (12) months from the date hereof, with a further and like payment to be paid the same date of each and every year thereafter for a period of sixty (60) months, at which time the remaining balance, including principal and interest, shall be fully due and payable.

(ii) The sums now unpaid and agreed to be owing on said Mortgage and the declining balances thereof shall bear interest hereafter at the rate of 10% percent per annum, simple interest. In no way does this instrument change the terms of the above-described Mortgage, or curtail or enlarge the rights or obligations of the parties hereto with reference to such Mortgage.

(iii) The Second Party hereby agrees to pay the current unpaid balance of said Mortgage promptly at the time or times, together with the interest, above set forth, interest being payable at the times stated hereinabove, as modified.

The Third Party and the Fourth Party agree to the foregoing establishment of unpaid balance owing on the "Obligation", further stipulating and agreeing that there remains open for negotiation and agreement as between the parties the unpaid balance, if any, to be owing by Second, Third or Fourth Party to effect a release and reassignment of that certain vendor's interest in and to that certain Contract for Sale of Real Estate, dated July 9, 1979, between Donald E. Johnson and Muriel A. Johnson, husband and wife, as Seller, and Scott A. Reed and Donna M. Reed, husband and wife, as Buyer, recorded in the Deed Records of Klamath County, Oregon, in Vol. M-79, at Page 22766.

IN WITNESS WHEREOF, the parties hereto have executed this document on the date first above written.



UNITED PACIFIC INSURANCE COMPANY

by: Wayne B. Anderson  
First Party

Wayne B. Anderson, Assistant Vice Pres.

by: Robert A. Johnson  
Second Party

Robert A. Johnson  
Second Party

by: Donald E. Johnson  
Third Party

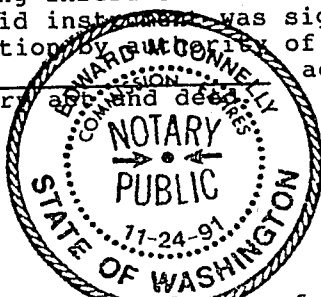
Muriel A. Johnson  
Third Party

DON E. JOHNSON CONSTRUCTION, INC

by: Don E. Johnson  
Fourth Party

STATE OF Washington, County King ) ss:

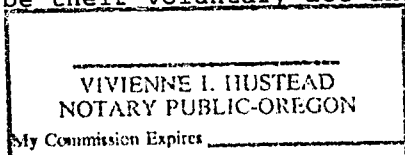
On the 28<sup>th</sup> day of February, 1991, personally appeared Wayne B. Anderson, who being sworn, did say that the former is Asst. V. P. of United Pacific Insurance Company, a Washington corporation, \*and that the seal affixed to the foregoing instrument is the corporate seal of said corporation\* and that said instrument was signed \*and sealed\* in behalf of said corporation by authority of its board of directors; and he acknowledged said instrument to be its voluntary act and deed.



Edward M. Connolly  
NOTARY PUBLIC FOR St. of WA  
My Commission Expires: 11-24-91

STATE OF OREGON, County of Klamath)ss:

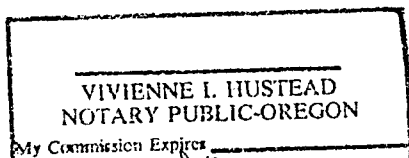
PERSONALLY APPEARED the above-named JOHN E. JOHNSON and DEBORAH A. JOHNSON, husband and wife, before me on this 15<sup>th</sup> day of March, 1991, and acknowledged the foregoing instrument to be their voluntary act and deed.



Vivienne I. Husted  
NOTARY PUBLIC FOR OREGON  
My Commission Expires: 4-11-93

STATE OF OREGON, County of Klamath)ss:

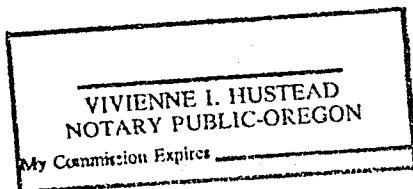
PERSONALLY APPEARED the above-named DON E. JOHNSON and MURIEL A. JOHNSON, husband and wife, before me on this 13<sup>th</sup> day of March, 1991, and acknowledged the foregoing instrument to be their voluntary act and deed.



Vivienne I. Husted  
NOTARY PUBLIC FOR OREGON  
My Commission Expires: 4-11-93

STATE OF Oregon, County Klamath ) ss:

On the 13<sup>th</sup> day of March, 1991, personally appeared The former President, who being sworn, did say that the former is The former President of Don. E. Construction, Inc., an Oregon 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 he acknowledged said instrument to be its voluntary act and deed.



Vivienne I. Husted  
NOTARY PUBLIC FOR OREGON  
My Commission Expires: 4-11-93

## OBLIGOR NAME AND ADDRESS:

John F. and Deborah A. Johnson  
2633 Midland Road  
Klamath Falls, OR 97601

## OBLIGEE NAME AND ADDRESS:

United Pacific Insurance Co.  
676 STAFFORD, FREY, COOPER, STEWART  
1700 B. Franklin Plz. - One SW Columbia  
Portland, OR 97258-2097

## AFTER RECORDING, RETURN TO:

Neal G. Buchanan  
601 Main Street, Ste. 215  
Klamath Falls, OR 97601

Until a Change is Requested,  
Tax Statements Should be Sent  
To:

Klamath First Federal Savings  
540 Main Street  
Klamath Falls, OR 97601

STATE OF OREGON )

County of Klamath )

ss.

I certify that the within in-  
strument was received for  
record on the 26th day of  
March, 1991, at  
3:21 o'clock p.m., and  
recorded in Book M91 on  
Page 5397 or as File Reel  
Number 27421, Record of  
Deeds of said County.

WITNESS my hand and seal of  
County affixed.

Evelyn Biehn, County Clerk  
Recording Officer

By: Debra M. Mulendore  
Deputy

Fee \$23.00