

WHEN RECORDED RETURN TO:

FOR USE IN THE STATE OF OREGON
RETAIL INSTALLMENT SALES CONTRACT AND MORTGAGE
THE PACESETTER CORPORATION
d/b/a PACESETTER PRODUCTS, INC.
(THE SELLER/CREDITOR)
"CONSUMER PAPER"

TO BE RECORDED IN REAL ESTATE RECORDS
SALES CONTRACT NO. **11991**
5250-14502



18183 S.W. BOONES FERRY ROAD
PORTLAND, OREGON 97224
(503) 620-1184

Vol. **mg** Page **26291**

Date Of This Contract **11-15-91**

Sold To **RUSSELL D. & ELLEN L. RIACH**
(FULL LEGAL NAME OF ALL BUYERS)
City **KLAMATH FALLS** State **OREGON** Zip **97603**

Telephone No **882-1969**

"Address" **8104 BOOTH RD.**
In this Contract the words I, me, and my refer to the Buyer and/or Co-Buyer. The words you and your refer to the Seller and/or a bank or other financial institution if it buys this contract. If it does, I will make my payments to it. Under the Mortgage statutes, I am also known as the "Mortgagor," and you are referred to as the "Mortgagee". I understand that if more than one "Buyer" signs below that each will be responsible for all promises made and for paying the obligation(s) in full; you may collect against one or any. This contract covers my purchase of products manufactured and/or distributed and installed by The Pacesetter Corporation. You have quoted me a Cash Price and a Total Sale Price. The Total Sale Price is the total cost of the products and services if I buy on credit. I now choose to buy, and you agree to sell, pursuant to the terms of this contract, the products and services described below. I also agree to all of the other terms on both sides of this contract. Only products manufactured by The Pacesetter Corporation are covered by the 10 year Limited Warranty. No exterior or interior trim, painting or staining, will be provided unless specified in this Contract.

LEGAL DESCRIPTION: The above described goods and services are to be installed and placed upon the "Address" designated above, and the legal description for such "Address" is:
SEE ADDENDUM #01

I hereby direct you to obtain and insert the legal description at a later date, if said legal description is not available at the time this contract is signed by me.
SUMMARY OF SALE: Base cash price \$ **6200.00** + tax **0.00** + additional warranty/service coverage **0.00** = \$ **6200.00**
Total cash price \$ **6200.00** - Cash [total] down payment \$ **0.00** = Unpaid balance of \$ **6200.00**

ITEMIZATION OF THE AMOUNT FINANCED OF \$ 6300.00:

\$ **6200.00** Amount credited to this contract (Same amount as the "Unpaid Balance.")
\$ **0.00** Amount paid on net balance from prior contract with you.
Amount(s) paid to others on my behalf:
\$ **0.00** to insurance company for Credit Life insurance
\$ **0.00** to insurance company for Accident and Health insurance
\$ **0.00** to insurance company for Property Damage insurance
\$ **0.00** to public officials for filing/recording fees
\$ **25.00** to (Specify) **TITLE FEE**
\$ **75.00**

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments	Total Sale Price
The cost of my credit as a yearly rate.	The dollar amount the credit will cost me.	The amount of credit provided to me or on my behalf.	The amount I will have paid after I have made all payments as scheduled.	The total cost of my purchase on credit, including my down payment of
17.5 %	\$ 3195.60	\$ 6300.00	\$ 9495.60	\$ 0.00 \$ 9495.60

My payment schedule will be:

Number of Payments	Amount of Payments	When Payments are Due
1st Payment	\$ 158.26	120 DAYS AFTER INSTALLATION
59	\$ 158.26	All subsequent installments on the same day of each consecutive month until paid in full.

INSURANCE
Credit life insurance and credit disability insurance are NOT required to obtain credit, and will not be provided unless I sign and agree to pay the additional cost.

Type	Premium	Term (in years)	Signature
Credit Life	\$ 0.00	0	I want credit life insurance. N/A
Credit Accident & Health	\$ 0.00	0	I want credit accident and health insurance. N/A

Property insurance is required, and I may obtain such insurance from anyone I want who is acceptable to you or I may provide it through an existing policy. If I obtain this insurance through you, I will pay \$ **0.00** for **0** months of coverage.

MORTGAGE: I hereby grant, bargain, sell, convey and mortgage to you, as Mortgagee, my real estate and house located at my "Address" designated on the top portion of this contract, and legally described above as security for all amounts due to you under this Retail Installment Sales Contract and Mortgage, as security for the performance by me of all of my other obligations hereunder. I hereby waive any and all rights that I may have pursuant to Oregon Rev. Stat Section 88.049, commonly referred to as the "One Form of Action Rule". You may take action against me, and with respect to any and all security that I give you under this agreement, in any order or simultaneously as you deem prudent.

I promise to pay you all that I owe you under this contract, including all applicable interest, from the date of execution hereof until paid, whether before or after judgment or default, at the above disclosed annual percentage rate, according to the payment schedule disclosed above.

REVERSE SIDE: I UNDERSTAND THAT THE ADDITIONAL TERMS AND PROVISIONS PRINTED ON THE REVERSE SIDE OF THIS INSTALLMENT SALES CONTRACT ARE A PART OF THIS INSTALLMENT SALES CONTRACT AND THAT I AM BOUND BY THEM IN THE SAME MANNER AS IF THEY WERE PRINTED ON THE FRONT OF THIS VERY INSTALLMENT SALES CONTRACT. NOTICE: PROVISIONS PRINTED ON REVERSE SIDE COMPRISE ADDITIONAL TERMS LIMITING SELLER'S WARRANTY OBLIGATION.

NOTICE TO BUYER

- I do not have to sign this contract before I read it or if any of the spaces intended for the agreed terms to the extent of then available information are left blank.
- I am entitled to a copy of this contract at the time I sign it.
- It shall not be legal for you to enter my premises unlawfully or commit any breach of the peace to repossess goods purchased under this contract.
- Due to the uniqueness of some of the products that you sell, I understand that in special situations your regional office may have to review and accept this contract prior to your becoming bound by it.

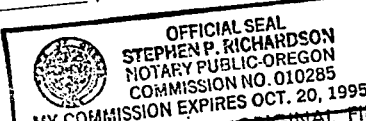
BUYER'S RIGHT TO CANCEL

IF THIS AGREEMENT WAS SOLICITED AT A RESIDENCE OTHER THAN THAT OF THE SELLER AND I DO NOT WANT THE GOODS OR SERVICES, I MAY CANCEL THIS AGREEMENT WITHOUT ANY PENALTY, CANCELLATION FEE OR OTHER FINANCIAL OBLIGATION BY MAILING A NOTICE TO THE SELLER. THE NOTICE MUST SAY THAT I DO NOT WANT THE GOODS OR SERVICES AND MUST BE MAILED BEFORE 12 MIDNIGHT OF THE THIRD BUSINESS DAY AFTER I SIGN THIS AGREEMENT. THE NOTICE MUST BE MAILED TO: THE PACESETTER CORPORATION AT 18183 S.W. BOONES FERRY ROAD, PORTLAND, OREGON, 97224. HOWEVER, I MAY NOT CANCEL IF I HAVE REQUESTED THE SELLER TO PROVIDE GOODS OR SERVICES WITHOUT DELAY BECAUSE OF AN EMERGENCY, AND (1) THE SELLER IN GOOD FAITH MAKES A SUBSTANTIAL BEGINNING OF PERFORMANCE OF THE CONTRACT BEFORE I GIVE NOTICE OF CANCELLATION, AND (2) IN THE CASE OF GOODS, THE GOODS CANNOT BE RETURNED TO THE SELLER IN SUBSTANTIALLY AS GOOD CONDITION AS RECEIVED BY THE BUYER.

COPY RECEIVED: I acknowledge receipt of a completely filled in copy of this contract along with two (2) copies of the Notice of Right to Cancel Form. I acknowledge that I have read and understand the terms and conditions of this contract and I agree to be bound by them. I signed this contract on this **15TH** day of **NOVEMBER**, 19 **91**, at (city) **KLAMATH FALLS**, State of **Oregon**.

THE PACESETTER CORPORATION
d/b/a PACESETTER PRODUCTS, INC. (SELLER - MORTGAGEE)

By: **Stephen P. Richardson** (AUTHORIZED OFFICER)
By: **SP. Richardson** (FACTORY REPRESENTATIVE)
State of Oregon **KLAMATH**
County of **KLAMATH**
The foregoing instrument was acknowledged before me on this **15TH** day of **NOVEMBER**, 19 **91**, by the above designated Buyer(s) - Mortgagee(s).



NOTICE: THE SELLER INTENDS TO SELL THIS CONTRACT TO FEDERAL DIVERSIFIED SERVICES, 4405 S. 96 STREET, OMAHA, NEBRASKA, 68127 WHICH, IF IT BUYS THE CONTRACT, WILL BECOME THE OWNER OF THE CONTRACT AND MY CREDITOR. AFTER THE SALE OF THIS CONTRACT, ALL QUESTIONS CONCERNING EITHER TERMS OF THE CONTRACT OR PAYMENTS SHALL BE DIRECTED TO THE BUYER OF THE CONTRACT AT THE ADDRESS INDICATED ABOVE.

Buyer - Mortgagee: **Russell D. Riach**
Co-Buyer - Mortgagee: **Ellen L. Riach**
For value received, X
(non-buyer) grants a security interest in the goods, services and property being purchased and a mortgage of the real estate and house designated above, but is not liable for payment of the obligation.
Notary Public: **Stephen P. Richardson**
Address: **3105 NE 98TH CIRCLE, VANCOUVER, WA 98665**
My commission expires: **OCTOBER 20, 1995**

SM-101-OR-A/HI

CONFIDENTIAL ONLY

ADDITIONAL TERMS

PREPAYMENT AND ACCRUAL OF THE FINANCE CHARGE: Even though I do not have to pay more than the regular scheduled monthly payment, I have the right to prepay the whole amount owing to you in full at any time or in part from time to time. I understand that the finance charge (interest) is computed daily. The amounts shown on the reverse side for the Finance Charge, Total of Payments, and the Total Sale Price are estimates based on the assumption that you will receive each of the payments exactly on its due date. If I make an early payment, my finance charge will be less, if I pay late my finance charge will be higher. Any necessary adjustment to my total finance charge will be reflected in my final bill. I may voluntarily prepay the amount I owe you, in full or in part, at any time. If I make a partial prepayment, I must continue to make my regular payments until I have paid all amounts owed.

IMPORTANT NOTICE ABOUT WARRANTIES: (a) SELLER HEREBY DISCLAIMS ALL WARRANTIES, EXPRESSED OR IMPLIED, OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ON ALL GOODS AND SERVICES UNLESS SELLER FURNISHES BUYER WITH A SEPARATE WRITTEN LIMITED WARRANTY OR SERVICE CONTRACT MADE BY SELLER ON ITS OWN BEHALF. (b) I have read, in detail, the separate "LIMITED WARRANTY" which accompanies this contract. It explains the conditions and circumstances in which the manufactured products will be repaired or replaced. I take notice of the limitations on the warranty, and I particularly recognize that any implied warranty which applies to the goods lasts only as long as the warranty or service contract. (c) I have read, in detail, the separate "LIMITED INSTALLATION WARRANTY" which, if made, accompanies this contract. It explains the conditions and circumstances in which the installation of the siding, siding accessories, and gutters will be redone. I take notice of the limitations on the warranty, and I particularly recognize that any implied warranty which applies to the installation lasts only as long as the warranty or service contract.

LIMITED WARRANTY: My sole and exclusive remedy against you or your assignee shall be limited to my rights and remedies under the express 10 year LIMITED WARRANTY you extend to me at the time I sign this Contract. My exclusive rights and remedies under the warranty shall be in lieu of all other rights or remedies, at law or in equity, where permitted by applicable state law.

ALL MANUFACTURED WINDOW PRODUCTS ARE NOT GUARANTEED AGAINST CONDENSATION, MOISTURE FORMATION OR FROST. PRODUCTS ARE NOT GUARANTEED AGAINST CORROSION DUE TO ADVERSE CLIMATIC CONDITIONS.

BUYER, READ THE SEPARATE "10 YEAR LIMITED WARRANTY" WHICH IS A SEPARATE WRITTEN INSTRUMENT PERTAINING SOLELY TO MANUFACTURED PRODUCTS OF THE PACESETTER CORPORATION AND WHICH "LIMITED WARRANTY" HAS BEEN DELIVERED TO EACH RESPECTIVE BUYER IN CONNECTION WITH THIS SALE. PACESETTER'S 10 YEAR LIMITED WARRANTY AND THE FOREGOING PROVISIONS REGARDING CONDENSATION DO NOT APPLY TO SIDING.

Further, The Pacesetter Corporation makes NO REPRESENTATION OR WARRANTY OF ANY KIND OR NATURE WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE ENERGY SAVINGS I COULD OR MAY ACHIEVE BY USE OF THE PRODUCT(S). I understand that any energy savings I may achieve is dependent upon a number of factors, including, but not limited to, the type, quantity and quality of insulation in my home, the particular size and style of my home, the type of quality of construction of my home, my particular life style, the number of openings in my home, proper monitoring of thermostat settings, climatic conditions and location of my home, and even the type of energy consumed for heating and air conditioning purposes.

BUYER

CO-BUYER

SPECIAL-ORDER GOODS: I know that you have measured my house and its openings so that you can make the products to fit my particular house and that the goods probably will not fit any other houses, so I know that I do not intend to cancel this contract at any time after the period of time given to me by law in which to cancel. After that legal period of time, I know that I have the obligation to pay you in full the amount owed.

COMMENCEMENT OF THE FINANCE CHARGE: The finance charge (interest) is estimated to start within 30 days of the date of this contract, except in the event you complete the installation of the goods and services on another date, then the finance charge (interest) will begin to run on the date that I sign the Completion Certificate. The amount of finance charge (interest) may be more or less than the amount disclosed depending on the amounts I pay you and my timeliness in making payments.

OBLIGATIONS PERTAINING TO PROPERTY DAMAGE INSURANCE AND MY REAL ESTATE: If Property Damage Insurance is required I understand that the policy must have a beneficiary clause which says that you are to be paid if there is a loss. I authorize the insurance company to pay you directly for any loss and you can choose to use this insurance payment to either repay any amounts I owe you or to repair my house. I also understand that the insurance company must agree that it will not cancel my policy without first telling you. I have the option of providing Property Damage Insurance through an existing policy or through a policy independently obtained and paid for by me. If Property Damage Insurance is required and I do not obtain such insurance, you may obtain this insurance for me if you want (but you do not have to). If you do obtain such insurance for me I agree to pay you back on demand plus interest at the rate disclosed on the front side of this contract titled "Annual Percentage Rate".

DEFAULT: I will be in default under this contract if: 1. I don't make a payment when due; or 2. I break any promise I made to you in this contract; or 3. Something else happens which causes you to believe in good faith that I do not intend to pay you as promised; or 4. I default on any obligations for which I am using my home as collateral; or 5. Something happens to my house which threatens your rights, if any, in it.

IF I AM IN DEFAULT: I understand that you have the right to foreclose the mortgage I have given to you and have my house sold to repay any amounts I owe you if I am in default under this contract. Before my house is sold, you will do everything that the law requires. If you hire an attorney to assist you to sell my house, or to sue me, or, to protect your rights, I agree to pay you for your reasonable attorneys' fees and for other related expenses such as court costs, title searches and money you expended to protect my house, if you are allowed to collect such amounts by law.

COLLECTION COSTS: If I am in default of this contract and you demand full payment, I understand that you may send it to an attorney for collection and enforcement. If you do so, I agree to pay your reasonable attorneys' fees plus any court costs and expenses incurred by you, that is, if you are allowed to collect such amounts by law.

OTHER RIGHTS: You can choose not to enforce any of the rights under this contract as often as you want without losing them. Or, you can delay enforcing any of the rights without losing them. You can also use any rights now or in the future given to you by law.

DELAYS: I know that you will use your best efforts to install the products I am purchasing on my house, but I also understand that in some situations you may encounter delays that are caused by strikes, weather conditions, delays you have in obtaining materials, or for other reasons that are beyond your control. I understand that you will not be liable for such delays.

REQUEST FOR FULL PAYMENT: If I am in default under this contract, you can declare all that I owe under this contract payable at once. I agree to pay you interest on that amount at the disclosed annual percentage rate until the amount I owe you is paid. I also know that you can foreclose the mortgage I have given to you.

SALVAGE VALUE: I know that the windows, woodwork, siding, brick and other materials that have to be removed by you for this installation have NO salvage value. When you remove them, you can have them for whatever purpose you want.

INVALID PROVISIONS: If any provision of this contract violates the law or is otherwise unenforceable, the rest of the contract will still be valid. If any part of this contract requires payment of more interest than the law permits, then you will only have the right to collect from me the amount of interest which the law allows you to collect.

COMPLETENESS OF THIS CONTRACT: This contract constitutes the complete agreement between you and me and can only be changed if both you and I agree in writing.

NOTICE

ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

INSURANCE CANCELLATION: If I have requested insurance in this purchase, I may cancel such request for insurance for any reason within fifteen (15) days from the date of this contract by notifying you or the holder of this contract in writing. I know that the cancellation of my coverage will be arranged with the insurance carrier(s) and a full refund of my premium(s) together with applicable finance charge will be credited to this contract.

PLEASE NOTE: If I have requested insurance in this purchase, I will receive within thirty (30) days a certificate of insurance more fully describing the insurance coverage. I know that if there is any conflict in the coverage or the language of the certificate of insurance and the following Notice of Proposed Insurance that I am covered only to the extent stated in the following Notice of Proposed Insurance. I also know that I have insurance coverage only if I have been charged for it.

NOTICE OF PROPOSED INSURANCE

I take notice that either Credit Life or Credit Accident and Health Insurance, or both, will be applicable to this Retail Installment Sales Contract and Mortgage on the reverse side only if I have chosen it by signing the request for such insurance. This insurance will only cover the person signing the request at the cost for each type of insurance shown. Subject to acceptance by the insurance company, the insurance will be effective as of today and will continue only for the number of months after the effective date equal to the number of monthly payments. I understand that this particular insurance may not provide coverage for my last few payments, and that during that period of time I will not have any insurance coverage. All benefits and proceeds of the insurance will be paid to you or to a financial institution if it purchases the required to repay the Total of Payments; thereafter, the insurance decreases by the amount of each monthly payment on a scheduled 30 day basis. If I am jointly obligated on the Retail Installment Sales Contract and Mortgage with a Co-Buyer, and we have both signed the request for Credit Life Insurance, death benefits will be payable only with respect to the first one of us to die. Subject to exclusions, eliminations or waiting period stated in the insurance policy or certificate, Credit Accident and Health Insurance is for the benefit amount of 1/30th of each month's payment for each day that I am totally disabled due to an injury or sickness while I owe any payment to you; however, I understand that I have to be prevented from working due to such total disability for more than fourteen (14) consecutive days before the insurance benefit is paid back to the first day of my total disability. I also know that I cannot obtain any insurance from you if I am over 65 years of age today, and I also know that the maximum amount of coverage stated in the insurance policy. I know that any unpaid amount in excess of the insurance coverage will still have to be paid by me. Due to the Retail Installment Sales Contract and Mortgage is prepaid in full prior to the last payment date, any unearned insurance premiums will be refunded to me in the manner prescribed by law. Within thirty (30) days, I will receive the certificate of insurance more fully describing my insurance coverage. If the insurance is not accepted by the insurance company, I will receive a refund of the insurance premiums I have paid.

Addendum Number 01Date 11-15-91

26293

ADDENDUM TO SALES CONTRACT

Local Office Address:

18183 SW Boones Ferry Rd.
City Portland State OREGON Zip 97224Buyer Russell D. & Ellen L. RiachAddress 8104 Booth Rd.City Klamath Falls State OREGON Zip 97603Original Sales Contract Number 11991 : dated 11-15-91

Buyer agrees to purchase the following described goods and services which are to be furnished as a part of the Contract referred to above, OR, Buyer requests that Seller make the following changes in such contract, previously executed by the parties hereto, subject to all the terms and conditions contained therein, except as otherwise stated herein:

PACESETTER AGREES TO DELIVER AND CUSTOM INSTALL ON ADDRESS ABOVE AS FOLLOWS:

- 1) A.I.'S SPEC II HORIZONTAL D-5 SIDING TO HOME IN THE GRAY COLOR,
- 2) INSTALLATION TO INCLUDE ALL T-CHANNEL, FOUNDATION CAPS, CORNER POSTS, INSULATING UNDERLAYMENT, AND REPLACEMENT OF ALL ROTTED WOOD AS DEEMED NECESSARY BY INSTALLERS FOR INSTALLATION,
- 3) INCLUDED IS A.I.'S 40 YEAR NON-PRO RATED, TRANSFERABLE WARRANTY, AND PACESETTERS ONE YEAR INSTALLATION WARRANTY,
- 4) INSTALLATION SUBJECT TO PACESETTERS WORK SCHEDULE,
- 5) ALL COSTS COMPLETE & FINAL,

Special Instructions: INSTALLATION INCLUDES NOVEMBER BOND 90 DAY DEFERRED PAY.

Additional Restriction on Terms of Warranty: _____

NOTICE
TO
THE
BUYER

1. DO NOT SIGN THIS ADDENDUM BEFORE YOU READ IT OR IF IT CONTAINS ANY BLANK SPACES.
2. YOU ARE ENTITLED TO AN EXACT COPY OF THE ADDENDUM YOU SIGN, COMPLETELY SIGNED.
3. EACH OF THE UNDERSIGNED BUYER(S) ACKNOWLEDGES THAT SUCH BUYER RECEIVED AT THE TIME OF THE EXECUTION OF THIS ADDENDUM AN EXACT COPY HEREOF COMPLETELY FILLED IN.

THE PACESETTER CORPORATION
PACESETTER PRODUCTS, INC./P.P.I., INC.
PSTR-PPH, INC.

[Signature] 11/15/91
Date

Signed X Russell Riach
BUYER

11-15-91
Date

Signed Ellen L. Riach
CO-BUYER

11-15-91
Date

LEGAL DESCRIPTION

26294

PARCEL 2: That portion of the Southwest Quarter of Section 7, Township 39 South, Range 10 East of the Willamette Meridian, more particularly described as follows:

Beginning at a point 30 feet South of the center of Section 7, Township 39 South, Range 10 East of the Willamette Meridian; thence West along the South side of the public road 1441 feet more or less to Northeast corner of tract of land described in Deed recorded in Volume 74, page 637, Deed Records for Klamath County, Oregon, in which M.E. and O.B. Cornett were grantees; thence South 1023 feet, more or less, to North line of Strahorn Railroad; thence South $66^{\circ}48'$ East along said railroad right of way to North and South center line of said Section 7; thence North along said center line 1650 feet, more or less, to place of beginning, EXCEPTING THEREFROM, easterly 418.8 feet of said described tract of land.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Pacesetter Inc. the 17th day
of Dec. A.D., 1991 at 3:09 o'clock P.M., and duly recorded in Vol. M91
of Mortgages on Page 26291

FEE \$23.00

Evelyn Biehn, County Clerk

By Cassie Mullendore