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Vol. 94 Page 10799

THIS MORTGAGE, Made this 7th day of April, 1994,
 between DONALD J. MORRISON and CAROL J. MORRISON, husband and wife,
 as mortgagor, and UNITED RESOURCES, INC., an Oregon corporation, as mortgagee,

WITNESSETH, That the mortgagor in consideration of ***ONE HUNDRED FIFTEEN THOUSAND AND NO/100-- Dollars (\$115,000.00)
 paid to the mortgagee by the mortgagee, does hereby grant, bargain, sell and convey unto the mortgagee, and the mortgagee's personal representatives, successors and assigns, that real property situated in the County of Klamath, State of Oregon, described as follows:

1604 Tamara Drive, Klamath Falls

Second addition to Moyina, Lot 5 Block 3.

This mortgage covers any and all indebtedness due United Resources, Inc. and/or United Grocers, Inc. (parent company of United Resources, Inc.).

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any way appertaining, and which may hereafter thereto belong or appertain, and the rents, issues and profits therefrom, and any and all fixtures upon the 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 premises with the appurtenances unto the mortgagee and the mortgagee's personal representatives, successors and assigns forever.

This mortgage is intended to secure the payment of one (or more) promissory note(s), in substantially the following form(s):

Refer to attached copy

MORTGAGE

DONALD J. MORRISON and
CAROL J. MORRISON

TO

UNITED RESOURCES, INC.

After recording return to (Name, Address, Zip):

G P FLEMING

UNITED RESOURCES, INC.

P O BOX 22187

PORTLAND OR 97269-2187

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON,

County of _____ } ss.

I certify that the within instrument was received for record on the _____ day of _____, 19____, at _____ o'clock _____ M., and recorded in book/reel/volume No. _____ on page _____ and/or as fee/file/instrument/microfilm/reception No. _____, Record of Deeds of said County.

Witness my hand and seal of County affixed.

NAME

TITLE

By _____, Deputy.



The date of maturity of the debt secured by this mortgage is the date on which the last scheduled principal payment becomes due, to-wit:

The mortgagor warrants that the proceeds of the loan represented by the note(s) and this mortgage are:

- (a)* primarily for mortgagor's personal, family or household purposes (see Important Notice below), or
(b) for an organization or (even if mortgagor is a natural person) for business or commercial purposes.

This mortgage is further conditioned upon the faithful observance by the mortgagor of the following covenants hereby expressly entered into by the mortgagor, to-wit:

Mortgagor is lawfully seized of the premises and now has a valid and unencumbered fee simple title thereto, except as follows (if no exceptions, so state):

and mortgagor will warrant and defend the same against the claims and demands of all persons whomsoever.

Mortgagor will pay the promissory note(s) and all installments of interest thereon promptly as the same become due, according to the tenor of the note(s).

So long as this mortgage remains in force, mortgagor will pay all taxes, assessments, and other charges of every nature levied or assessed upon or against the premises when due and payable, according to law, and before the same become delinquent, and will also pay all taxes levied or assessed on this mortgage or the debt thereby secured, and will promptly pay and satisfy any mechanics' liens or other encumbrances that, by operation of law or otherwise, become a lien upon the mortgaged premises superior to the lien of this mortgage.

Mortgagor will keep the improvements erected on the premises in good order and repair and will not commit or suffer any waste of the premises. 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(s), as well as the cost of any lien search made by filing officers or searching agencies as may be deemed desirable by the mortgagee.

So long as this mortgage shall remain in force, mortgagor will keep the buildings now erected, or any which may hereafter be erected on the premises, insured against loss or damage by fire, with extended coverage, to the extent of \$ _____ in some company or companies acceptable to the mortgagee and for the benefit of both parties hereto as their interests may appear, and will deliver all the policies and renewals thereof to the mortgagee.

NOW, THEREFORE, it the mortgagor shall pay the promissory note(s) and shall fully satisfy and comply with the covenants hereinbefore set forth, then this conveyance shall be void, but otherwise it shall remain in full force and virtue as a mortgage to secure the payment of the promissory note(s) in accordance with the terms thereof and the performance of the covenants and agreements herein contained. Any failure to make any of the payments provided for in the note(s) 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 the note(s), 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. If the 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. Any payment so made shall be added to and become a part of the debt secured by this mortgage, and draw interest at the same rate as the note(s) without waiver, however, of any right arising from breach of any of the covenants herein. Time is of the essence with respect to all sums due hereunder, and the promissory note(s).

In case a suit or action is brought to foreclose this mortgage, the court may, upon motion of the holder of the mortgage, without respect to the condition of the property, appoint a receiver to collect the rents and profits arising out of the premises and direct the receiver to 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, including a reasonable charge for attorney fees.

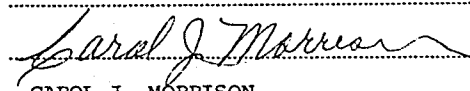
In the event any suit or action to foreclose this mortgage is commenced, the losing party therein agrees to pay the attorney fees, costs and disbursements of the prevailing party, including statutory costs and disbursements and costs of title report(s) and/or title search. If any appeal is taken from any judgment or decree entered pursuant to such suit or action, the losing party on appeal therein promises to pay the attorney fees, costs and disbursements, including all statutory costs and disbursements, of the prevailing party. To the extent permitted by law, all such sums shall be and are secured by the lien of this mortgage and shall be included in the judgment or decree of foreclosure.

Each and all of the covenants and agreements herein contained shall apply to, inure to the benefit of, and bind the personal representatives, successors and/or assigns of the mortgagor and of the mortgagee respectively.

In construing this mortgage and related note(s), it is understood that the mortgagor or mortgagee may be more than one person. If the context so requires, the singular shall be taken to mean and include the plural. 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 the day and year first above written. If the mortgagor is a corporation, it has caused its name to be signed and its seal, if any, affixed by an officer or other person duly authorized to do so by order of its board of directors.


DONALD J. MORRISON


CAROL J. MORRISON

STATE OF OREGON, County of Klamath ss.

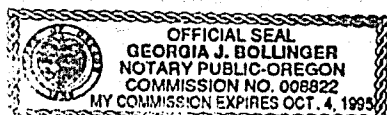
This instrument was acknowledged before me on March 18, 1994,
by Donald J. Morrison and Carol J. Morrison

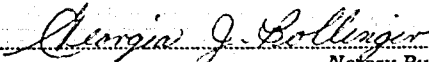
This instrument was acknowledged before me on _____, 19____,

by _____

as _____

of _____




Notary Public for Oregon
My commission expires October 4, 1995

* IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is inapplicable. If warranty (a) is applicable, and if the mortgagee is a creditor, as such word is defined in the Truth-in-Lending Act and Regulation Z, the mortgagee MUST comply with the Act and Regulation by making required disclosures. For this purpose, use Stevens-Ness Form No. 1319 or equivalent.

SUBSEQUENT INSTALLMENT NOTE

\$115,000.00

Date: April 7, 1994
March , 1994

THE UNDERSIGNED ("Borrowers"), jointly and severally, promise to pay to the order of UNITED RESOURCES, INC., an Oregon corporation, at Post Office Box 22187, Portland, Oregon, ("Payee"), the sum of ***ONE HUNDRED FIFTEEN THOUSAND AND NO/100 DOLLARS*** (\$115,000.00), payable in eleven (11) consecutive monthly installments of ***ONE THOUSAND NINE HUNDRED SEVENTEEN AND NO/100 DOLLARS*** (\$1,917.00), plus interest thereon from the date hereof, the first payment to be made on ~~April~~^{MAY} 1, 1994, with subsequent payments to be made on the same day of each month thereafter until the final payment of ***NINETY THREE THOUSAND NINE HUNDRED THIRTEEN AND NO/100 DOLLARS (\$93,913.00) becomes due on ~~March~~^{APRIL} 1, 1995.

The outstanding principal balance will bear interest at a rate equal to 2.00 percent in excess of the prime rate published by the United States National Bank of Oregon, changing as of the first day of each month. Interest shall be payable monthly on the same day as the principal, until the whole sum, principal and interest, has been paid. If any of said installments is not so paid, all principal and interest shall become immediately due and payable at the option of the holder of this Note.

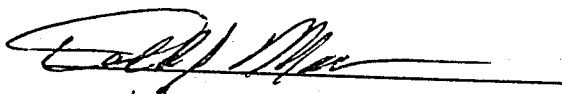
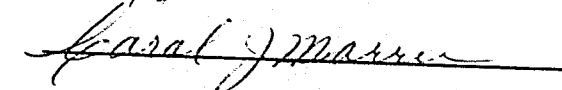
This Note may be prepaid in whole or in part at any time. All such prepayments will be applied first to accrued interest and then to principal installments due hereunder in inverse order of maturity.

This Note is issued in connection with and is subject to the terms of a loan agreement between the Borrowers and United Resources, Inc. and to additional documents guaranteeing the obligations hereunder or granting liens to secure same. Reference is made to such loan agreement and additional documents for other terms under which amounts payable hereunder may become immediately due and owing. Although United Resources, Inc. may sell, assign, or otherwise transfer this Note to a third party, this Note will continue to be subject to the loan agreement and such other documents.

Upon the failure of the Borrower to make any payment under this Note when due, Payee may, at its option and without further notice or demand, declare the unpaid principal balance of the Note and the accrued, but unpaid interest on the Note, immediately due and payable, and pursue any and all other rights, remedies and recourses available to Payee. Borrower hereby waives presentment and demand for payment, notice of intent to demand or accelerate maturity, notice of demand for acceleration of maturity, protest or notice of protest and nonpayment, bringing of suit in diligence and taking any action to collect sums owing under this Note. No extension for time for the payment of this Note or any installment hereof shall affect the liability of Borrower. The failure of the Payee to exercise any of its rights or options under this Note shall not constitute a waiver of the right to exercise the same or right or option at any subsequent time with respect to the same or any other events.

If this Note is placed in the hands of an attorney for collection, Borrowers promise and agree to pay the reasonable attorneys' fees and collection costs of the holder of this Note even though no suit or action is filed hereon; if a suit or an action is filed, the Borrowers must pay such reasonable attorneys' fees as shall be fixed by the court or courts in which the suit or action, including any appeal therein, is tried, heard and decided.

DONALD J. MORRISON and CAROL J. MORRISON
DBA DON'S SUPER VALUE

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of United Resources Inc. the 12th day
of April A.D. 19 94 at 9:50 o'clock A M., and duly recorded in Vol. M94
of Mortgages on Page 10799.

FEE \$20.00

Evelyn Biehn County Clerk

By Donald J. Morrison