

Please Return To:
Pacesetter Corporation
12775 NE Marx Street
Portland, Oregon. 97230

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22435

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37 JUL 16 49:40

MORTGAGE

I, (we), the undersigned David and Carolyn Otey
(hereafter "Mortgagor" whether one or more) do hereby mortgage and warrant to The Pacesetter Corporation, a Nebraska corporation, a/k/a Pacesetter Products, Inc., (hereafter "Mortgagee"), its successors and assigns, that property legally described as:

Lot 11, Block 2, Cascade Park, Klamath Falls, Klamath County, Oregon.

(hereafter the "premises") to secure payment of a certain Retail Installment Sales Contract

Number 32431, dated June 29th, 19 97, having an Amount Financed
of \$ 10,000.00 together with Finance Charges provided therein (hereafter the "indebtedness").

The Mortgagor covenants with the Mortgagee, while this Mortgage remains in force, as follows:

1. To pay the indebtedness represented by the above-described Retail Installment Sales Contract together with all finance charges provided therein in the time and manner therein described.

2. To pay all taxes, assessments, water rates and other charges that may be levied or assessed upon or against the premises within 30 days after the same shall become due and payable.

3. To keep all the improvements erected on the premises continually intact and in good order and repair and to permit or suffer no waste of said premises.

4. If default shall be made in the payment of the indebtedness, or any part thereof, or in the performance of any of the covenants and agreements contained in the said Retail Installment Sales Contract and/or herein contained, the entire indebtedness secured hereby remaining unpaid shall at once become due and collectible if the Mortgagee so elects, without notice of such election.

5. In the event the ownership of the premises or any part thereof becomes vested in a person other than the Mortgagor, Mortgagee may deal with such successor or successors in interest with reference to this Mortgage and the indebtedness hereby secured in the same manner as with the Mortgagor, without in any manner violating or discharging the Mortgagor's liability hereunder, or upon the indebtedness hereby secured.

Mortgagor hereby waives any and all rights Mortgagor may have pursuant to Oregon Revised Statutes §88.040, commonly referred to as the "One Action Rule." Mortgagee may take action against Mortgagor and with respect to any security given by Mortgagor to Mortgagee under this Mortgage, the Retail Installment Sales Contract or otherwise in any order or simultaneously as Mortgagee may deem prudent.

Dated this 29th day of June, 19 97.

THE PACESETTER CORPORATION
a Nebraska corporation

David Otey
MORTGAGOR

6-29-97
DATE

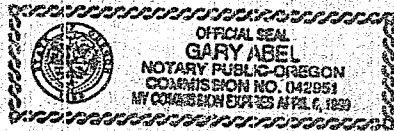
By:

Kelly Naranjo
Kelly Naranjo

Carolyn Otey 6-29-97
MORTGAGOR DATE
Carolyn Otey

State of Oregon }
County of Klamath } ss.

The foregoing instrument was acknowledged before me on this 29th day of June, 19 97, by David & Carolyn Otey, the above designated Mortgagor(s).



Notary Public Gary Abel

Printed Name: Gary Abel State OR

My commission expires: April 6, 1999

ACKNOWLEDGMENT OF NOTARY PRESENCE

I (We) hereby confirm that the Notary Public whose name appears within did personally appear, sign and seal this document in my (our) presence.

Initials: DO Buyer CO Co-Buyer

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of David Otey the 16th day of July A.D., 19 97 at 9:40 o'clock A. M., and duly recorded in Vol. M97 of Mortgages on Page 22321.

FEE \$15.00

By Bernetha G. Letsch, County Clerk
Kerstin Row