

* Please return to:
Pacesetter Corporation
12775 NE Marx street
Portland, Oregon. 97230

250-8384

Vol. 1198 Page 1050

51498

MORTGAGE

I, (we), the undersigned LEON AND PATRICIA DURHAM
(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 2, Block 13, Fairview Addition #2, Klamath Falls, Klamath County, Oregon

(hereafter the "premises") to secure payment of a certain Retail Installment Sales Contract
Number 30118, dated December 18, 19 97, having an Amount Financed
of \$ 6700.00 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 vitiating 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 Mortgagor may deem prudent.

Dated this 18 day of DECEMBER, 19 97.

THE PACESETTER CORPORATION
a, Nebraska corporation

By: [Signature]

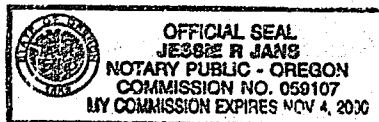
TIMOTHY TOMMERUP

Leon D. Durham 12/18/97
MORTGAGOR DATE
Patricia D. Durham 12/18/97
MORTGAGOR DATE

State of Oregon

County of KLAMATH } ss.

The foregoing Instrument was acknowledged before me on this 18 day of DEC. 19 97, by LEON DURHAM, the above designated Mortgagor(s).



Notary Public

Printed Name

My commission expires:

Jessie R. Jans
JESSIE R. JANS State OR
11-4-2000

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: LD Buyer P.D. Co-Buyer

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Pacesetter Corp. the 13th day of January A.D., 19 98 at 1:16 o'clock P.M., and duly recorded in Vol. M98 of Mortgages on Page 1050.

FEE \$15.00

Bernetha G. Lisch, County Clerk
By Kathleen Ross