

Dial Bank
3201 N. 4th Avenue
Sioux Falls, South Dakota 57104

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OREGON REAL ESTATE MORTGAGE LINE OF CREDIT INSTRUMENT

Maximum Principal Secured \$200,000.

Know All Men by these Presents, to secure any advances (including future advances) on a line of credit issued pursuant to a Credit Card Account Agreement up to the amount stated above as "Maximum Principal Secured," between Dial Bank, Mortgagee, and JOHN E. HARMON, JR. and ELLE N J. HARMON, as tenants by the entirety, said Mortgagors do hereby grant, bargain, sell, and convey to Mortgagee the following described premises located in KLAMATH County, Oregon:

"see attached addendum 1 legal description"

Together with tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining. To have and to hold the same, with the appurtenances unto the Mortgagee, its successors and assigns forever.

This conveyance is intended as a mortgage to secure the payment to Mortgagee of Mortgagor's initial and future advances to Mortgagor under the Credit Card Account Agreement ("Agreement") between Mortgagor and Mortgagee, plus interest thereon on the outstanding principal balances from time to time at the applicable interest rate from time to time thereunder, as well as any future note or notes that may be executed and delivered to Mortgagee by Mortgagor from time to time as provided in said promissory note, the total outstanding indebtedness, however, never to exceed the sum of two hundred thousand dollars at any one time.

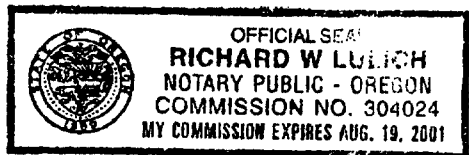
Mortgagors covenant that they will at their expense keep all buildings now or hereafter erected upon said property covered by fire and extended coverage insurance in an amount equal to the unpaid balance of said note or notes with loss payable to the Mortgagee, and will pay all taxes and assessments against said property and amounts due on any prior encumbrances, and if they shall fail to so insure or pay said amounts, the Mortgagee may arrange for such insurance and pay said amounts, and all amounts so paid shall become additional indebtedness due hereunder.

Mortgagors also covenant not to sell, convey or transfer said property or any portion thereof without Mortgagee's prior written consent and any such sale, conveyance or transfer without Mortgagee's prior written consent shall constitute a default under the terms hereof.

Now, if the sums of money due upon said instrument shall be paid according to agreement therein expressed, and the Mortgagor has terminated future advances, or the draw period has expired, and all amounts secured hereby have been paid in full, this conveyance shall be void, but in case default shall be made in payment of said sums of money due upon said instrument according to agreement therein expressed, then the Mortgagee and its legal representatives may sell the premises above described, with all and every of the appurtenances, or any part thereof, in the manner prescribed by law, and out of the money arising from such sale, retain the sums of money due upon said instrument according to agreement therein expressed, together with the taxable costs and disbursements to which the Mortgagee may become entitled as provided by law in its action to realize on the security, and the overplus, if any there be, pay over the Mortgagors.

The covenants contained herein shall bind and inure to the benefit of the respective heirs, executors, administrators, successors, and assigns of the parties hereto. Whenever used the singular number shall be construed to include the plural, the plural the singular, and the use of any gender shall include all genders.

IN WITNESS WHEREOF, the Mortgagors have hereunto set their hands this 26th day of JANUARY, 2000.



Sign Here John E. Harmon Jr.
Sign Here Ellen J. Harmon

Done in the presence of:

STATE OF OREGON)
) ss.
COUNTY OF JACKSON)

On this 26TH day of JANUARY, A.D. 2000, personally appeared the above named JOHN E HARMON JR AND ELLEN J HARMON and acknowledged the foregoing instrument to be their voluntary act. Before me:

Richard W. Lulich
Notary Public

My Commission Expires: 8/19/2001.

ADDENDUM 1 - LEGAL DESCRIPTION

EXHIBIT "A"

That portion of Lots 47 and 48, OLD ORCHARD MANOR ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.

Beginning at the Northeast corner of said Lot 48; thence South along the East line of said Lot 34.3 feet to a point; thence West parallel to the South line of said Lot to a point which is 34.3 feet South of the Northwest corner of said lot; thence North along the West line of said Lot 48 and Lot 47 to a point which is 42.7 feet North of the Southwest corner of said Lot 47; thence East parallel to the South line of said Lot 47 to a point on the East line of said Lot 47 which is 42.7 feet North of the Southeast corner of said Lot 47; thence South along the East line of said lots to the point of beginning.

CODE 1 MAP 3809-34CB TL 3700

01-26-2000 J.E.H.
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State of Oregon, County of Klamath
Recorded 1/31/00, at 10:58 a.m.
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Linda Smith,
County Clerk Fee \$ 26⁰⁰

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