

State of Oregon, County of Klamath  
Recorded 02/12/2002 9:59 a m.  
Vol M02, Pg 8431-32  
Linda Smith, County Clerk  
Fee \$ 26<sup>00</sup> # of Pgs 2

0378-16133  
**MORTGAGE**

I, (we), the undersigned Norman & Jacquelyn Karr

residing at 5533 Leland Dr, Klamath Falls, Or 97603, Klamath County, Oregon  
(hereafter "Mortgagor" whether one or more) do hereby mortgage and warrant to The Pacesetter Corporation, a Nebraska corporation, a/k/a Pacesetter Products, Inc., whose address is 4343 South 96th Street, Omaha, Nebraska 68127, (hereafter "Mortgagee"), its successors and assigns, that property legally described as:

a tract of land situated in Lot 11, Block 1 of the Resubdivision of Tracts 2B and 3 of Homedale according to the official plat thereof on file in the office of the county clerk of Klamath county, Oregon, more particularly described as follows: Beginning at an iron pin located North 59 53 West 75.0 feet from the Southeast corner of said Lot 11, thence North 59 53 West 75.0 feet along the North bounday of Loland drive to an iron pin; thence North 7 40 east 114.8 feet to an iron pin; thence south 62 03 east 65.0 feet to an iron pin; thence South 3 42 West 121.2 feet, more or less to the point of beggining.

please return to:  
Pacesetter Corporation  
10461 Old Placerville Rd #170  
Sacramento, CA 95827

(hereafter the "premises") to secure payment of a certain Retail Installment Sales Contract Number 6991, dated January 23rd, 2002, having an Amount Financed of \$ 4140.00 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, except such notice as may be required by law.
  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 23rd day of January, 2002.

THE PACESETTER CORPORATION  
a Nebraska corporation

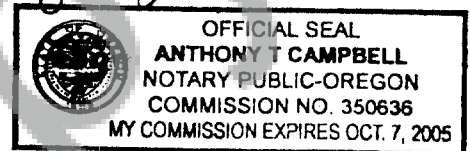
By: Nicole Lamar

Norman L Karr 1-23-02  
MORTGAGOR DATE  
M. Jacquelyn Karr 1-23-02  
MORTGAGOR DATE

State of Oregon }  
County of Klamath } ss.

The foregoing instrument was acknowledged before me on this 23rd day of JANUARY, 2002, by Norman & Jacquelyn Karr the above designated Mortgagor(s).

Notary Public [Signature]  
Printed Name ANTHONY T CAMPBELL State OR  
My commission expires: OCT 7 2005



ACKNOWLEDGEMENT 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: NK Buyer MJK Co-Buyer

Please return the recorded instrument to: