

THAT, WALTER J. LUCAS and ALICE J. LUCAS, husband and wife, of Klamath County, State of Oregon, Parties of the First Part, hereinafter called the mortgagors, (which term wherever used in this mortgage, so far as the context may permit or require, it is hereby agreed shall be construed to include and shall include the heirs, executors, administrators, successors and assigns of the Parties of the First Part), in consideration of the sum of SIX HUNDRED THOUSAND DOLLARS (\$600,000.00) paid by UNITED STATES NATIONAL BANK OF OREGON, a national banking association, with its principal office at 321 S. W. Sixth Avenue, Portland, Oregon 97204, Party of the Second Part, hereinafter called the mortgagee, (which term wherever used in this mortgage so far as the context may permit or require, it is hereby agreed shall be construed to include and shall include the successors and assigns of the Party of the Second Part), have granted, bargained, sold and conveyed, and do hereby grant, bargain, sell, convey and confirm unto said UNITED STATES NATIONAL BANK OF OREGON, its successors and assigns, forever the following described real estate in the County of Klamath and State of Oregon, to-wit:

SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF.

TOGETHER WITH all irrigation wells, irrigation pumps, irrigation equipment and all appurtenances thereto, now or hereafter placed on the above described real estate.

together with all water, water rights, ditches, aqueducts, appropriations and franchises upon, leading to, connected with or had and enjoyed in connection with said real estate and each and every part thereof, whether represented by shares of capital stock in any ditch company or by actual individual ownership or otherwise or which may hereafter be acquired by the mortgagor during the existence of this mortgage and used in connection with said real estate or any part thereof.

To Have and to Hold the same, with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining, and all rights of homestead exemption and every contingent right or estate therein (all of which are hereinafter called the mortgaged premises) unto the mortgagee forever. And the mortgagors do hereby covenant and agree that at the delivery hereof they are the lawful owners of the mortgaged premises and seized of a good and indefensible estate of inheritance therein, free and clear of all encumbrances, except as aforesaid, and that they will warrant and defend the same in the quiet and peaceable possession of the mortgagee, against the claims of all persons whomsoever.

**The Mortgagors Hereby Covenant and Agree :**

FIRST. That this mortgage is given as security for the performance and observance of the covenants and agreements herein contained.

SECOND. To pay the principal amount of SIX HUNDRED THOUSAND AND NO/100----- Dollars (\$ 600,000.00 ) (which amount the mortgagee has actually loaned to the mortgagors and for which amount the mortgagors are justly indebted to the mortgagee), with interest thereon, according to the terms of a certain note of even date herewith, executed by

WALTER J. LUCAS and ALICE J. LUCAS,

UNITED STATES NATIONAL BANK OF OREGON,  
to the order of said mortgagors, principal

to be paid in installments

\$ 15,000.00 on January 1, 1970 and \$ 15,000.00 each on the first days  
of each January thereafter  
to January 1, 1987 , inclusive; and

\$ 330,000.00 on January 1, 1988 .

THIRD. To keep the buildings now or hereafter standing on the mortgaged premises insured against fire and such other casualties as the mortgagee may from time to time require and against which insurance is written at the time of such requirement, whether or not such insurance is now written, all such insurance to be in forms, in companies and in sums (not less than sufficient to avoid any claim on the part of the insurers for co-insurance) satisfactory to the mortgagee; that all insurance policies shall be held by and be for the benefit of and shall be first payable in case of loss to the mortgagee and that at least fifteen days before the expiration of each such policy a new and sufficient policy to take the place of the one so expiring shall be delivered to the mortgagee. The mortgagors hereby assign to the mortgagee all moneys recoverable under each such policy. The mortgagors hereby appoint the mortgagee attorney irrevocable of the mortgagor to assign each such policy in the event of the foreclosure of this mortgage.

FOURTH. To pay before delinquent all taxes, assessments and charges of every nature and to whomsoever assessed, that may now or hereafter be levied or assessed upon the mortgaged premises or any part thereof, or upon this mortgage or the debt hereby secured.

FIFTH. To pay all sums the failure to pay which may result in the acquisition of a lien prior to the lien of this mortgage before such a prior lien may attach.

SIXTH. That, in case of default in the performance or observance of any of the covenants and agreements contained in paragraphs numbered "THIRD," "FOURTH" AND "FIFTH" herein, the mortgagee, without prejudice to any rights given under subsequent paragraphs herein, may make advances to perform the same in behalf of the mortgagor and the mortgagors hereby agree to repay all sums so advanced in their behalf, on demand, with interest from the date advanced at the highest rate per annum for which it is lawful to contract and all sums so advanced, with interest as aforesaid, shall be immediately due and payable and be secured hereby having the benefit of the lien hereby created, but no such advance shall be deemed to relieve the mortgagors from any default hereunder or impair any right or remedy consequent thereon, and the exercise of the rights to make advances granted in this paragraph shall be optional with the mortgagee and not obligatory, and the mortgagee shall not in any case be liable to the mortgagors for a failure to exercise any such right.

SEVENTH. To keep all fences, buildings and other improvements now or hereafter standing on the mortgaged premises in good condition and repair and not to suffer strip or waste nor to do or permit any act by which the value of the mortgaged premises may be impaired.

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EIGHTH. To pay to the mortgagee all moneys received as compensation for the taking of title to, possession of, or any interest in, the mortgaged premises or any part thereof by virtue of the right of eminent domain or in any other manner whatsoever, and all moneys received as damages for injury sustained by the mortgaged premises or any part thereof, said moneys to be applied on the indebtedness hereby secured;

NINTH. That the mortgagee shall be subrogated for further security to the lien, although released of record, of any and all encumbrances paid out of the proceeds of the loan secured by this mortgage.

TENTH. That, in case the mortgagee shall hereafter appear in any of the land departments of the United States Government, or in any court or tribunal whatever, to defend the title or possession of the mortgaged premises or the lien of this mortgage, or in case the mortgagee shall be made a party defendant to any action at law or suit in chancery by reason of the mortgagee being the holder of this mortgage and shall make an appearance in defense of said action or suit, all the costs and expenses of such appearance shall be allowed the mortgagee, and such costs and expenses shall bear interest from date of payment at the highest rate per annum for which it is lawful to contract, and said sum or sums so paid shall be immediately due and payable with the interest thereon as herein provided and shall be an additional lien upon the mortgaged premises and be secured by this mortgage, and may be collected in the same manner as the principal debt hereby secured, provided such action is not due to any act of the mortgagee exclusively.

PROVIDED, That, if payments are made as herein contemplated, then this conveyance shall be void.

BUT upon any default in the performance or observance of any of the covenants and agreements of any instrument now or hereafter evidencing or securing the principal debt hereby secured,

A. While any such default exists, the principal then remaining unpaid shall bear interest at the highest aggregate lawful rate per annum, as provided in said note.

B. Whether the mortgaged premises are homestead or not and without proof of any other ground for his appointment than the said default, if the mortgagee so elects, the mortgagee shall be entitled to the immediate appointment of a receiver to take possession and charge of the mortgaged premises, to rent the same and receive and collect the rents, issues and profits thereof under direction of the court and any amount so collected by such receiver shall be applied under the direction of the court.

C. If the mortgagee so elects, the principal then remaining unpaid, with accrued interest, shall at once become due and payable and the mortgagee may immediately cause this mortgage to be foreclosed in the manner prescribed by law.

In case of one or more defaults in the performance or observance of any of the covenants and agreements of any instrument now or hereafter evidencing or securing the principal debt hereby secured, the failure to exercise any right or remedy given in this mortgage shall not preclude the mortgagee from exercising any right or remedy given herein in case of one or more subsequent defaults and notice of the exercise of such right or remedy is hereby waived, except for such notice as may be required by law.

In case of suit to foreclose this mortgage or to enforce the performance or observance of any of the covenants and agreements herein contained, the mortgagor shall pay such additional amount as the court may adjudge reasonable as attorney's fees in such suit, which attorney's fees are also secured hereby.

Notwithstanding any provision herein or in said note, the total liability for payments in the nature of interest shall not exceed the limits now imposed by the usury laws of the State of Oregon.

IN WITNESS WHEREOF, the said mortgagors have hereunto subscribed their names and affixed their seals this 14th day of June, 1968

Walter J. Lucas (Seal)  
Alice J. Lucas (Seal)  
(Seal)  
(Seal)

State of Oregon }  
County of Klamath } ss.

On this 14th day of June in the year 1968, before me, a Notary Public in and for said County and State, personally appeared WALTER J. LUCAS and ALICE J. LUCAS, husband and wife, to me known to be the persons or individuals described in and whose names are subscribed to the within instrument and who executed the within instrument and acknowledged to me that they executed and signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Witness my hand and official seal the day and year in this certificate first above written.

Not 25, 1968

Allen D. Kroedner, Notary Public  
in and for the State of Oregon  
residing at Klamath Falls, Oregon.

My commission expires May 15, 1972  
State of }  
County of } ss.

On this day of in the year, before me, a Notary Public in and for said County and State, personally appeared, to me known to be the person or individual described in and whose name is subscribed to the within instrument and who executed the within instrument and acknowledged to me that executed and signed the same as free and voluntary act and deed, for the uses and purposes therein mentioned.

Witness my hand and official seal the day and year in this certificate first above written.

My commission expires Notary Public  
in and for the State of  
residing at

No. FIRST  
MORTGAGE  
(Washington, Oregon & Idaho)

WALTER J. LUCAS and ALICE J. LUCAS

TO  
UNITED STATES NATIONAL BANK OF OREGON  
Klamath Falls, Oregon

COUNTY OF }  
STATE OF } ss.

I hereby certify that the within mortgage was filed in this office for record on the day of A. D. 19, at o'clock M., and was duly recorded in Book of Mortgages on Page

County By Deputy.

Form 1126 (Wash., Ore. & Idaho Farm Form) Ed. 8-47  
Printed in U. S. A.

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IN TOWNSHIP 31 SOUTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN:

SECTION 1 Lots 1 and 2, S $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$  BUT EXCEPTING from Lot 2 Highway #97 right of way conveyed to the State of Oregon in Deed Book 190 at page 16.

SECTION 12 NE $\frac{1}{4}$ , SE $\frac{1}{4}$

IN TOWNSHIP 31 SOUTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN:

SECTION 5 SW $\frac{1}{4}$

SECTION 7 NE $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$ , Lots 1 and 2 BUT EXCEPTING from said Lots 1 and 2 the portions thereof lying West of a line parallel to and 50 feet Easterly from the located center line of the Southern Pacific Company right of way.

SECTION 15 SW $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$

SECTION 17 N $\frac{1}{2}$ , SW $\frac{1}{4}$

SECTION 20 ALL

SECTION 21 S $\frac{1}{2}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$

SECTION 28 W $\frac{1}{4}$

SECTION 29 ALL

SECTION 30 E $\frac{1}{2}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$

SECTION 31 E $\frac{1}{2}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$ , E $\frac{1}{2}$ SE $\frac{1}{4}$  of Lot 1, E $\frac{1}{2}$ E $\frac{1}{2}$  of Lot 2, E $\frac{1}{2}$  of NW $\frac{1}{4}$ SW $\frac{1}{4}$ , E $\frac{1}{2}$  of SW $\frac{1}{4}$ SW $\frac{1}{4}$ , E $\frac{1}{2}$ SW $\frac{1}{4}$

SECTION 32 ALL

SECTION 33 S $\frac{1}{2}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ , S $\frac{1}{2}$

SECTION 34 S $\frac{1}{2}$ N $\frac{1}{2}$ , N $\frac{1}{2}$ S $\frac{1}{2}$ , SW $\frac{1}{4}$ SW $\frac{1}{4}$

IN TOWNSHIP 32 SOUTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN:

SECTION 4 Lots 3 and 4, SW $\frac{1}{4}$ NW $\frac{1}{4}$

SECTION 5 Lots 1 and 2, S $\frac{1}{2}$ NE $\frac{1}{4}$ , those portions of Lots 3 and 4, S $\frac{1}{2}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$  which lies Southerly and Easterly from the center line or thread of Williamson River; W $\frac{1}{2}$ SE $\frac{1}{4}$

SECTION 6 Lots 1 and 2, S $\frac{1}{2}$ NE $\frac{1}{4}$ , Lot 3, Lot 4 (BUT EXCEPTING from said Lot 4 a parcel 417.42 feet by 208.71 feet described as Parcel 2 in Deed Book 331 at page 173), S $\frac{1}{2}$ NW $\frac{1}{4}$ , Lots 6 and 7, that part of the E $\frac{1}{2}$ SE $\frac{1}{4}$  lying Southerly and Easterly of the center line or the thread of Williamson River.

SECTION 8 SW $\frac{1}{4}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$

30 *val*  
*A.J.L.*



STATE OF OREGON, } ss  
County of Klamath }

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Filed for record a receipt of

Transamerica Title Ins. Co.

on this 14 da, of June A.D. 1968

at 4:36 o'clock PM and duly

recorded in Vol. M-68 of mortgages

Page 5318.

DOROTHY ROGERS, County Clerk

By L. Beverly J. Hester Deputy

Fee 6.00