

THIS MORTGAGE, Made this 25th day of April,
1973, by L. B. CULVER, JR., and SHARON LYNN CULVER, his wife, and
CULVER ENTERPRISES, INC., a California corporation, hereinafter
called "MORTGAGOR", to BEN F. SMITH, hereinafter called "MORTGAGEE";

W I T N E S S E T H:

That Mortgagor, for valuable consideration, receipt of which is
hereby acknowledged, does hereby grant, bargain, sell, convey, mort-
gage, and confirm unto Mortgagee, his heirs, executors, administra-
tors, successors, and assigns, the following described real and
personal property situate in the County of Klamath, State of Oregon,
described in Exhibit "A" attached hereto and thereby made a part
hereof as though fully set forth hereat.

TOGETHER WITH:

1. The tenements, hereditaments, and appurtenances now or here-
after used or usable in connection with the above described real
property;

2. All leases, permits, licenses, privileges, rights-of-way,
and easements, written or otherwise, now held by mortgagor, or here-
after issued, extended or renewed;

3. All improvements now on or hereafter placed upon said real
property during the term of this mortgage, including all fixtures,
now or hereafter a part of, or used in connection with, said
improvements;

4. All rights to the use of water for irrigation of said real
property and for domestic use thereon to which said real property
is now or may hereafter become entitled, or which may hereafter be
used on said real property, however the same may be evidenced,
together with all shares of stock or shares of water, if any, in
any ditch or irrigation company which in any manner entitles the
legal or equitable owner of said real property to water for irriga-
tion or domestic purposes upon said real property.

This mortgage is given to secure the following:
Mortgage - Page 1

THIS INDEMNITY AGREEMENT Made this 25th day
1973, between L. B. CULVER, JR., and SHARON LYNN
and CULVER ENTERPRISES, INC., a California co
to as "INDEMNITOR", and BEN F. SMITH, herei
W I T N E S S E T H:
WHEREAS, Indemnitor and Indemnite
dated as of November 28, 1972, for
in the State of Oregon and the St
WHEREAS, one of the consi
assumption by Indemnitor of
Mutual Life Insurance Com
referred to as "CONNECT
with interest thereo
page 10731, Microf
WHEREAS, L
until the con
obtained;
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a. Performance by Mortgagor of the covenants and agreements of Mortgagor contained in this mortgage instrument;

b. Performance by Mortgagor of that certain indemnity undertaking between Mortgagee and Mortgagor attached hereto as Exhibit "B", and thereby made a part hereof as though fully set forth hereat; and

c. Payment of any sum or sums advanced, incurred, or paid by Mortgagee, to, for, or on account of Mortgagor as provided in this mortgage instrument.

To have and to hold the said mortgaged property to the said Mortgagee, his heirs, executors, administrators, successors and assigns until the obligations secured by this mortgage instrument have been fully discharged.

MORTGAGOR COVENANTS AND AGREES:

1. Warranty of Title: That he is lawfully seized of the above described real property in fee simple, has good right and lawful authority to mortgage the same, and that said real property is free from all encumbrances, except as above set forth, and that Mortgagor will warrant and defend the same forever against the lawful claims and demands of all persons whomsoever, and this covenant shall not be extinguished by any foreclosure of this mortgage instrument, but shall run with the land.

2. Waiver of Homestead and Exemption: That he does hereby release and waive all rights under and by virtue of any homestead or exemption laws now in force, or which may hereafter become law.

3. Prompt Performance and Payment: To perform all obligations and pay all sums of money (both principal and interest at the rates specified in the note or in this mortgage instrument) secured hereby promptly when due.

4. Protection of Security: To keep the mortgaged property, including, but not limited to, buildings, structures, fixtures, permanent plantings, trees, and orchards, if any be in existence on the date hereof, in good condition and repair not to remove or demolish nor permit the removal or demolition of any thereof; to comply with all laws, rules and regulations made by any duly

Mortgage - Page 2

THIS INDEMNITY AGREEMENT Made this 25th day of November 1973, between L. B. CULVER, JR., and SHARON LYNN CULVER, INC., a California corporation, and CULVER ENTERPRISES, INC., a California corporation, to as "INDEMNITOR", and BEN F. SMITH, hereinafter referred to as "INDEMNITEE".

WHEREAS, Indemnitor and Indemnitee, by and through their respective attorneys, have entered into an agreement, dated as of November 28, 1972, for the assumption by Indemnitor of the obligation to insure the Mutual Life Insurance Company of New York, Inc., a corporation organized under the laws of the State of Oregon and the State of California, with interest thereon, referred to as "CONNECTICUT MUTUAL LIFE INSURANCE COMPANY", page 10731, Microfilm No. 10731, until the completion of the project, and

constituted authority applicable to the mortgaged property; to keep the mortgaged property free from liens of every kind; not to commit nor permit any waste to or on the mortgaged property; and not to permit nor to commit anything which shall impair the security created by this mortgage instrument without the written consent of Mortgagee.

5. Payment of Taxes and Assessments: To pay regularly and seasonably, and before the same shall become delinquent, all taxes, assessments, and charges of whatever nature (including additional charges by reason of change of use) levied and assessed against the mortgaged property, or any part thereof.

6. Fire Insurance: To keep buildings and improvements now on or hereafter placed upon the above described real property insured against loss by fire or other casualty in an amount not less than the greater of the amount of insurance required by The Connecticut Mutual Life Insurance Company or the maximum insurable value thereof as determined by the insurer and shall obtain, at his own expense, an insurance endorsement thereon providing for loss payable to The Connecticut Mutual Life Insurance Company, Mortgagee and Mortgagor as their respective interests may appear. The policy or policies of insurance shall be delivered to Mortgagee, or in lieu thereof, a certificate of such insurance may be provided by Mortgagor and delivered to Mortgagee. If a loss should occur for which insurance proceeds shall become payable, the Mortgagor may elect to either rebuild or repair the portion of the building or improvements so destroyed, or apply the proceeds to payment of the unpaid balance of principal and interest secured by this mortgage instrument. If the Mortgagor elects to rebuild, he shall sign such document as may be required by Mortgagee to guarantee the application of the insurance proceeds to the cost of such building or repair. If the Mortgagor elects to apply the insurance proceeds toward payment of the obligation secured by this mortgage instrument, any such sums so received by Mortgagee shall not be in lieu of, nor credited to, the next regular

Mortgage - Page 3

J. ANTHONY GIACOMINI, ATTORNEY AT LAW, KLAMATH FALLS, OREGON

THIS INDEMNITY AGREEMENT Made this 25th day of November 1973, between L. B. CULVER, JR., and SHARON LYNN CULVER, INC., a California corporation, and CULVER ENTERPRISES, INC., a California corporation, to as "INDEMNITOR", and BEN F. SMITH, hereinafter referred to as "INDEMNITEE".

WHEREAS, Indemnitor and Indemnitee, by and through their respective attorneys, have entered into an agreement dated as of November 28, 1972, for the purpose of providing for the assumption by Indemnitor of the obligation of Indemnitee, one of the considerations of which was the Mutual Life Insurance Company of New York, Inc., referred to as "CONNECTICUT MUTUAL LIFE INSURANCE COMPANY", with interest thereon, as provided in page 10731, Microfilm 10731, until the same is obtained; and

6077

1 installment, but shall be applied by Mortgagee first to interest
2 accrued to the date of such payment and then toward the reduction
3 of principal. This provision governing application of fire insurance
4 proceeds shall be subject to the right of The Connecticut Mutual Life
5 Insurance Company to direct the application of said proceeds.

6 7. Condemnation: In the event any governmental agency or
7 entity having the power of eminent domain acquires by eminent domain,
8 or by negotiated sale in lieu of eminent domain, all, or any portion,
9 of the real property described in this mortgage instrument, Mortgagee
10 may require Mortgagor to apply all proceeds received by Mortgagor
11 from such acquisition (remaining after payment by Mortgagor of
12 attorney's fees, appraiser's fees, and related necessary and reason-
13 able costs in connection with securing said proceeds), which pro-
14 ceeds are hereinafter called "net proceeds", toward the payment of
15 the sums secured by this mortgage instrument. Upon receipt of said
16 net proceeds, Mortgagor shall notify Mortgagee of the amount of
17 said net proceeds and Mortgagee shall, within ten (10) days after
18 such notification, notify Mortgagor in writing if Mortgagee elects
19 to have said net proceeds applied toward payment of the sums secured
20 by this mortgage instrument. If Mortgagee fails to so notify Mort-
21 gator of such election, Mortgagee shall conclusively be deemed to
22 have elected not to require Mortgagor to apply said net proceeds toward
23 the sums secured by this mortgage instrument. If Mortgagee elects to
24 have said net proceeds applied toward payment toward the sums secured
25 by this mortgage instrument, the amount to be received by Mortgagee
26 shall not exceed the total of the principal plus accrued interest
27 to the date of receipt thereof by Mortgagee. Regardless of whether
28 Mortgagee elects to have said net proceeds applied to the sums
29 secured by this mortgage instrument, Mortgagee shall release from
30 the lien of this mortgage instrument, so much of the real property
31 above described acquired by such governmental agency or entity by
32 eminent domain, but Mortgagee shall not be required to partially

Mortgage - Page 4

J. ANTHONY GIACOMINI, ATTORNEY AT LAW, KLANATH FALLS, OREGON

THIS INDEMNITY AGREEMENT Made this 25th day
1973, between L. B. CULVER, JR., and SHARON LYNN
and CULVER ENTERPRISES, INC., a California co-
to as "INDEMNITOR", and BEN F. SMITH, herei-
WHEREAS, Indemnitor and Indemnitee
dated as of November 28, 1972, for
in the State of Oregon and the S
WHEREAS, one of the consi
assumption by Indemnitor of
Mutual Life Insurance Com
referred to as "CONNECT
with interest thereo
page 10731, Microf
WHEREAS, I
until the con
obtained:
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1 release more property than that which is acquired by such governmental
2 agency or entity. Mortgagee shall not be obligated to participate in
3 any negotiations with such governmental agency or entity.

4 8. Sale by Mortgagor of Mortgaged Real Property: If Mortgagor shall
5 transfer or sell the real property described herein, Mortgagee may elect
6 to permit the transferee to assume the obligations secured by this mortgage
7 instrument, or to demand payment from Mortgagor, or the transferee of Mort-
8 gator, or both (at the option of the Mortgagee) of such portion of the sums
9 secured by this mortgage instrument as Mortgagee may consider satisfactory,
10 or to declare the entire balance of the sums secured by this mortgage instru-
11 ment immediately due and payable. This provision shall not apply to any
12 transfer by Mortgagor by way of gift, devise, or bequest, or transfer between
13 each Mortgagor, or by transfer by Mortgagor to any partnership or corpora-
14 tion wherein any Mortgagor shall own more than twenty-five (25%) percent
15 thereof. This provision cannot be waived, unless Mortgagor gives Mortgagee
16 written notice of such transfer or sale and Mortgagee, after receipt of such
17 written notice, accepts a payment from the transferee of Mortgagor. This
18 provision is subject to paragraph 13 of the mortgage to The Connecticut
19 Mutual Life Insurance Company except to the extent that The Connecticut
20 Mutual Life Insurance Company should apply paragraph 13 to the transfer or
21 termination of the Bureau of Land Management Grazing Lease No. 0-1-19 em-
22 bracing the following described real property situate in Klamath County,
23 Oregon, to-wit: T. 39S., R11 $\frac{1}{2}$ E., Will. Mer. Klamath County
24 Sec. 24: N $\frac{1}{2}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ 600 Acres
25 Sec. 25: E $\frac{1}{2}$ NE $\frac{1}{4}$
26 This provision shall not apply to the transfer or termination of said lease.

27 9. Expenses Incurred by Mortgagee to Protect Security: If
28 Mortgagor fails to pay or discharge any taxes, assessments, liens, encum-
29 brances, or charges to be paid by Mortgagor as provided in this mort-
30 gage instrument, Mortgagee, at his option and without waiver of
31 default or breach of Mortgagor, and without being obligated to do
32 so, may pay or discharge all or any part thereof. Mortgagee may
33 appear in or defend any action or proceeding at law, in equity, or
in bankruptcy, affecting in any way the security hereof, and, in
Mortgage - Page 5

THIS INDEMNITY AGREEMENT Made this 25th day
1973, between L. B. CULVER, JR., and SHARON LYNN
and CULVER ENTERPRISES, INC., a California cor-
to as "INDEMNITOR", and BEN F. SMITH, hereinafter
WHEREAS, Indemnitor and Indemnitee
dated as of November 28, 1972, for
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assumption by Indemnitor of
Mutual Life Insurance Com-
referred to as "CONNECTICUT
with interest thereon
page 10731, Microfilm
WHEREAS, Indemnitor
until the copy
obtained;
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1 such event, Mortgagee shall be allowed and paid, and Mortgagor
 2 hereby agrees to pay, all costs, charges and expenses, including costs
 3 of evidence of title or validity and priority of the security created
 4 by this mortgage instrument and reasonable attorney's fees to be
 5 awarded by the court, at trial or on appeal, incurred by Mortgagee
 6 in any such action or proceeding in which Mortgagee may appear. All
 7 sums so paid or advanced or incurred by Mortgagee shall become repay-
 8 able by Mortgagor upon demand, together with interest at the rate of
 9 ten (10%) percent per annum from and after demand.

10 10. Time is Material and of the Essence: Time is material
 11 and of the essence hereof; in the event of default of the perfor-
 12 mance by Mortgagor of the Indemnity Agreement attached to this mort-
 13 gage instrument as Exhibit "B", or in payment of any installment of
 14 the principal sum or interest to be paid to The Connecticut Mutual
 15 Life Insurance Company as provided in said Indemnity Agreement, or
 16 any part thereof, or in the repayment of any disbursement authorized
 17 by the terms of this mortgage instrument and actually made by
 18 Mortgagee, or in the repayment of any expense or obligation payable
 19 by the Mortgagor but paid by the Mortgagee, as provided in this
 20 mortgage instrument, or in the event of the breach of any of the
 21 covenants or agreements by Mortgagor, Mortgagee may at once proceed
 22 to foreclose this mortgage for the amount due, or in the case of
 23 default as aforesaid, or in the event of the violation, non-performance
 24 or breach of any of the covenants, conditions, agreements, or warranties
 25 herein or in the Indemnity Agreement secured by this mortgage, or
 26 in case of the actual or threatened demolition or removal of any
 27 building, structure, improvement, permanent planting, tree or
 28 orchards on or to be erected on the mortgaged property by Mortgagor
 29 without the written permission of Mortgagee, the entire principal
 30 sum of said note hereby secured and the whole amount of all indebted-
 31 ness owing by or chargeable to Mortgagor under the provisions of
 32 this mortgage or intended to be secured hereby shall, at the election

Mortgage - Page 6

THIS INDEMNITY AGREEMENT Made this 25th day
 1973, between L. B. CULVER, JR., and SHARON LYNN
 and CULVER ENTERPRISES, INC., a California cor-
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 assumption by Indemnitor of
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 page 10731, Microf
 WHEREAS, I
 until the cor
 obtained;
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1 of Mortgagee, become immediately due and payable without notice
 2 to Mortgagor, and a decree be had to sell the mortgaged property,
 3 or any part or parts thereof, either together or in parcels, with
 4 all and every of the appurtenances, or any part thereof, in the
 5 manner prescribed by law, and out of the monies arising from said
 6 sale to repay said indebtedness, including both principal and
 7 interest, together with the costs and charges of making such sale
 8 and suit for foreclosure and also the amounts of all sums advanced
 9 or paid by Mortgagee to or for the account of Mortgagor, with interest
 10 thereon as herein provided, including such payments of liens, taxes,
 11 or other encumbrances as may have been made by Mortgagee by reason
 12 of provisions herein given, and inclusive of interest thereon, and
 13 the overplus, if any there be, shall be paid by the party making
 14 such sale, on demand, to Mortgagor.

15 11. Receivorship: In the event any suit is commenced to fore-
 16 close this mortgage instrument, the court having jurisdiction of
 17 the case may, upon motion by Mortgagee, appoint a receiver to collect
 18 the rents and profits arising out of the above described real pro-
 19 perty and to take possession, management and control of the same
 20 during pendency of such foreclosure proceeding or until such time
 21 as the payment of the obligations hereby secured is made, and apply
 22 said rents and profits to the payment of the amounts due hereunder,
 23 after first deducting all proper charges and expenses attending the
 24 execution of said receivership.

25 12. Costs of Title in the Event of Foreclosure: Upon the
 26 commencement of any suit to collect the indebtedness or disburse-
 27 ments, secured hereby, or any part hereof, or to enforce any pro-
 28 visions of this mortgage instrument, by foreclosure or otherwise,
 29 there shall become due, and Mortgagor agrees to pay to Mortgagee,
 30 in addition to all statutory costs and disbursements, any amount
 31 Mortgagee may incur or pay for any title report, title search,
 32 insurance of title, or other evidence of title subsequent to the
 Mortgage - Page 7

THIS INDEMNITY AGREEMENT Made this 25th day
 1973, between L. B. CULVER, JR., and SHARON LYNN
 and CULVER ENTERPRISES, INC., a California cor-
 to as "INDEMNITOR", and BEN F. SMITH, herei-
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 WHEREAS, I
 until the con
 obtained;
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1 date of this mortgage instrument on any of the real property above
2 described in this mortgage instrument shall be security for the
3 payment thereof.

4 13. Attorney Fees to Prevailing Party: In the event any suit
5 or action is instituted to collect the indebtedness or disbursements
6 secured hereby, or any part thereof, or to enforce any provision
7 of this mortgage instrument by foreclosure, or otherwise, the pre-
8 vailing party, at trial or on appeal, shall be entitled to such
9 reasonable attorney's fees as shall be fixed by the court having
10 jurisdiction of the case, in addition to the statutory costs and
11 disbursements.

12 14. Waiver: No waiver by Mortgagee of any breach of any
13 covenant or agreement of this mortgage instrument by Mortgagor
14 shall be construed as a continuing waiver of any subsequent breach
15 of such covenant nor as a waiver of any breach of any other cove-
16 nant nor as a waiver of the covenant itself nor as a waiver of
17 this provision.

18 15. Binding Effect of Mortgage Instrument: This mortgage
19 instrument contains a full understanding of the Mortgagor and the
20 Mortgagee with respect to the provisions set forth herein and no
21 modification of this mortgage instrument shall be given effect
22 unless the same is in writing, subscribed by the Mortgagor and
23 the Mortgagee (or their successors in interest) and made of record
24 in the same manner as this mortgage instrument is made of record.

25 16. Notices: Any notice or notices required to be given by
26 either Mortgagor to Mortgagee or Mortgagee to Mortgagor pursuant
27 to any provision of this mortgage instrument shall be in writing,
28 and shall be deemed given when the same is deposited in the United
29 States mail as registered mail, postage prepaid, addressed to the
30 party to whom notice is to be given at the address of such party
31 shown in this mortgage instrument. In lieu of mailing such
32 notice, such notice may be delivered in person to the party to

Mortgage - Page 8

THIS INDEMNITY AGREEMENT Made this 25th day
1973, between L. B. CULVER, JR., and SHARON LYNN
and CULVER ENTERPRISES, INC., a California corporation,
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dated as of November 28, 1972, for
in the State of Oregon and the State of
WHEREAS, one of the considerations
assumption by Indemnitor of
Mutual Life Insurance Company
referred to as "CONNECTICUT
with interest thereon
page 10731, Microfilm
WHEREAS, Indemnitor
until the contract
obtained;
NOV

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1 whom notice is to be given and execution by the person to whom
 2 notice is to be given of a receipt of such notice shall be conclu-
 3 sive evidence of delivery of such notice. For the purpose of giving
 4 notice by mail, the following address shall control:

5 a. To Mortgagor:

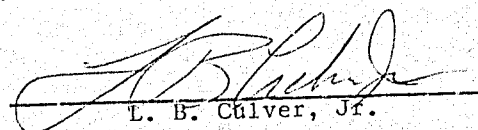
6
 7 b. To Mortgagee: P. O. Box 954
 8 El Monte, California 91734


9 17. Binding Effect and Construction of Mortgage Instrument:

10 This mortgage instrument shall bind and inure to the benefit of,
 11 as the circumstances may require, the parties hereto, and their
 12 respective heirs, executors, administrators, successors and assigns.
 13 In construing this mortgage instrument, the singular shall include
 14 both the singular and the plural and the masculine both the masculine,
 15 the feminine and the neuter.

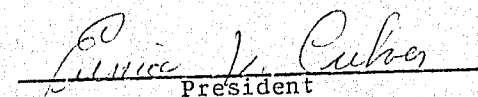
16 The headings contained in this mortgage instrument are for con-
 17 venience only and are not to be construed as part of this mortgage
 18 instrument. To the extent that any exhibit is attached to this
 19 mortgage instrument, the same is hereby incorporated into this
 20 mortgage instrument as though fully set forth at the place in this
 21 mortgage instrument at which reference to said exhibit is made.

22 IN WITNESS WHEREOF, the Mortgagor has hereunto set his hand
 23 and seal the day and year first above written.

24
 25  (SEAL)
 26 L. B. Culver, Jr.

27  (SEAL)
 28 Sharon Lynn Culver
 29 CULVER ENTERPRISES, INC.

30
 31 (SEAL)

32  (SEAL)
 President

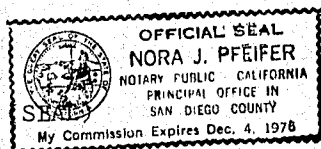
Mortgage - Page 9

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 referred to as "CONVE-
 with interest thereo-
 page 10731, Micro-
 WHEREAS,
 until the cor-
 obtained.

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1 STATE OF CALIFORNIA)
2 County of San Diego) ss.

3 On the 25th day of April, 1973, personally
4 appeared the above named L. B. Culver, Jr., and Sharon Lynn Culver,
5 husband and wife, and acknowledged the foregoing instrument to be
6 their voluntary act and deed.

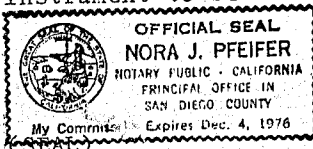


Before me:
Nora J. Pfeifer

Nora J. Pfeifer
Notary Public for California
My commission expires: 12/4/78

11
12 STATE OF CALIFORNIA)
13 County of San Diego) ss.

14 On the 25th day of April, 1973, personally
15 appeared Eunice V. Culver who, being duly sworn,
16 did say that he is the President of Culver Enterprises, Inc., a California
17 corporation, and that the seal affixed to the foregoing instrument
18 is the corporate seal of said corporation and that said instrument
19 was signed and sealed in behalf of said corporation by authority
20 of its board of directors; and each of them acknowledged said
21 instrument to be its voluntary act and deed.



Before me:
Nora J. Pfeifer

Nora J. Pfeifer
Notary Public for California
My commission expires: 12/4/78

Mortgage - Page 10

THIS INDEMNITY AGREEMENT Made this 25th day of April 1973, between L. B. CULVER, JR., and SHARON LYNN CULVER, and CULVER ENTERPRISES, INC., a California corporation, and BEN F. SMITH, hereinafter referred to as "INDEMNITOR", and Mutual Life Insurance Company of New York, hereinafter referred to as "CONNECTION", WHEREAS, Indemnitor and Indemnitor's assumption by Indemnitor of the State of Oregon and the State of California, one of the consequences of the Mutual Life Insurance Company of New York, hereinafter referred to as "CONNECTION", with interest thereon, page 10731, Microfilm, WHEREAS, Indemnitor until the completion of the same, obtained; NOW

REAL PROPERTY:

PARCEL 1

The following described real property in Township 39 South, Range 11½ East of the Willamette Meridian, Klamath County, Oregon:

SE $\frac{1}{4}$ SW $\frac{1}{4}$ and S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 22; NW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 23; W $\frac{1}{2}$ SW $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 24; NW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ and Lots 1, 2, 3, 4, and 5 of Section 25; All of Section 26; NE $\frac{1}{4}$ and E $\frac{1}{2}$ NW $\frac{1}{4}$ and NE $\frac{1}{4}$ SE $\frac{1}{4}$ and Lots 1, 2, 3, 4, 5, and 6 of Section 27; Lots 1 and 2 of Section 34; Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 14, 15, 16 and N $\frac{1}{2}$ NW $\frac{1}{4}$ and W $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 35; AND a piece or parcel of land situate in Lot 13 and the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 35, more fully described as follows:

Beginning at the Section corner at the Southeasterly corner of the said Section 35, and running thence North 89° 53' West along the Township line marking the Southerly boundary of the said Section 35, 803.4 feet; thence North 33° 29' West 869.0 feet; thence North 59° 19' West 850 feet, more or less, to Lost River; thence Northeasterly following Lost River, 1000 feet, more or less, to its intersection with the line marking the Easterly boundary of the said Lot 13, thence South along said boundary line 510 feet, more or less, to the Northwesterly corner of the said SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 35; thence South 89° 45' East along the Northerly boundary of the said SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 35, 1338.0 feet, more or less, to the Northeasterly corner thereof on the Section line marking the Easterly boundary of the said Section 35; thence South 0° 3' East along the said Section line, 1317 feet, more or less, to the said point of beginning.

The $W\frac{1}{2}$, $SE\frac{1}{4}$, $SE\frac{1}{4}NE\frac{1}{4}$ of Section 36, EXCEPT the Northerly 24.13 acres more particularly described in that certain Deed from D. D. Liskey, et al, to H. V. Holzhouser, et al, recorded in Deed Book 130 at page 89. That certain parcel more particularly described as follows:

Beginning at a point in the line marking the Western boundary of the W $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 36, Township 39 South, Range 11 $\frac{1}{2}$ East of the Willamette Meridian from which the quarter section corner at the Northwestern corner of the said NE $\frac{1}{4}$ of Section 36 bears North 0° 9' East 1013.4 feet distant, and running thence South 0° 9' West 1632.3 feet, more or less, to the Southwesterly corner of the said W $\frac{1}{2}$ NE $\frac{1}{4}$ of said Section 36; thence East 1324.2 feet, more or less, to the Southeast corner of the said W $\frac{1}{2}$ NE $\frac{1}{4}$ of said Section 36; thence North 0° 4' West along the Easterly boundary of the said W $\frac{1}{2}$ NE $\frac{1}{4}$ of said Section 36, 530.5 feet; thence West 697.7 feet; thence North 29° 35' West 1269.2 feet, more or less, to the point of beginning, and being a portion of the said W $\frac{1}{2}$ NE $\frac{1}{4}$ of said Section 36.

The SW¼NE¼, SE¼NW¼, E¼SW¼, SW¼SW¼ Sec.16, SAVE AND EXCEPTING rights of way to the California Oregon Power Company and Klamath County and LESS THAT PORTION conveyed to the United States of America by W. W. Matsen, et al, by Deed recorded in Deed Book 37 at page 399; SW¼, W¼SE¼ EXCEPTING the South 30 feet of said W¼SE¼; the SW¼NE¼; S¼NW¼ in Section 28, AND a piece or parcel of the NE¼SE¼ and of Lot 3, Section 28, more particularly described as follows:

Beginning at a point in the line marking the Easterly boundary of the said Lot 3, from which the section corner common to Section 21, 22, 27 and 28, aforesaid Township and Range, bears North 0° 15' West 248.7 feet distant and running thence South 53° 45½' West, 876.3 feet; thence South 72° 21' West, 638.5 feet, more or less, to a point in the line marking the Westerly boundary of the said NE¼SE¼ of said Section 28, and running thence North 0° 04' West, along said boundary line and along the Westerly boundary of said Lot 3, 1773.5 feet, more or less, to the North-westerly corner of said Lot 3; thence North 89° 34' East along the North-erly boundary of said Lot 3, 90.0 feet, more or less, to a point in the Southerly water line of Lost River; thence Southeasterly along the said water line of Lost River to a point due North of the point of beginning; thence South 140 feet, more or less, to the point of beginning.

THIS INDEMNITY AGREEMENT Made this 25th day
1973, between L. B. CULVER, JR., and SHARON LYNN
and CULVER ENTERPRISES, INC., a California cor
to as "INDEMNITOR", and BEN F. SMITH, herei
W I T N E S S E T
WHEREAS, Indemnitor and Indemnite
dated as of November 28, 1972, for
in the State of Oregon and the St
WHEREAS, one of the consi
assumption by Indemnitor of
Mutual Life Insurance Com
referred to as "CONNECT
with interest thereo
page 10731, Microf
WHEREAS, I
until the com
obtained;
NOV

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PARCEL 2

The SE $\frac{1}{4}$ of the SE $\frac{1}{4}$, Section 16; the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 27; Lot 3 and the E $\frac{1}{2}$ of the SE $\frac{1}{4}$ of Section 28; the NE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 31; the NW $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 34, all in Township 39 South, Range 11 $\frac{1}{2}$ East, of the Willamette Meridian.

EXCEPTING THEREFROM the following: A piece or parcel of the NE $\frac{1}{4}$ of SE $\frac{1}{4}$ and of Lot 3 of Section 28, Township 39 South, Range 11 $\frac{1}{2}$ East, W. M., more fully described as follows:

Beginning at a point in the line marking the Easterly boundary of said Lot 3, from which the Section corner common to Sections 22, 21, 27 and 28, Township 39 South, Range 11 $\frac{1}{2}$ East of the Willamette Meridian, bears North 0° 15' West 2428.7 feet distant and running thence South 53° 45' West 876.3 feet; thence South 72° 21' West 638.5 feet, more or less, to a point in the line marking the Westerly boundary of said NE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of said Section 28, and running thence North 0° 04' West along said boundary line and along the Westerly boundary line of said Lot 3, 1773.5 feet, more or less, to the Northwestern corner of said Lot 3; thence North 89° 34' East along the Northerly boundary of said Lot 3, 90.0 feet, more or less, to a point in the Southerly water line of Lost River; thence Southeasterly along said water line of Lost River to a point due North of the point of beginning; thence South 140 feet, more or less, to the point of beginning.

PARCEL 3

The South 30 feet of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 28, Township 39 South, Range 11 $\frac{1}{2}$ East, of the Willamette Meridian.

PERSONAL PROPERTY:

ELECTRIC PUMPS AND MOTORS:

Pomona Pump No. R-878 (20 H.P.) & G. E. Motor Serial No. H 5407-045
 Pomona Pump No. 12-F-1164 (40 H.P.) & G. E. Motor Serial No. 544-5526
 Pomona Pump No. 12-F-1067 (25 H.P.) & G. E. Motor Serial No. 544-6036
 Pomona Pump No. P-1230 RP (25 H.P.) & G. E. Motor Serial No. 542-2284
 Pomona Pump No. P-1230 134 (50 H.P.) & Westinghouse Motor Ser. No. 842305
 Berkeley Pump No. 0-0818-X (30 H.P.) & Century Motor Serial No. 61506
 Berkeley Pump No. 0-0340-X (30 H.P.) & Century Motor Serial No. 51506
 U. S. Electric Co. unclosed pump and motor Serial No. 3292541

PIPE:

5700' of 4" Aluminum Mainline with risers and heads
 4000' of 6" Aluminum Mainline Pipe
 1000' of 8" Aluminum Mainline Pipe
 1000' of 10" Aluminum Mainline Pipe
 1320 Sections of 3" x 40' Aluminum lateral line with risers and rainbird sprinkler heads
 Miscellaneous valves, openers, couplers, etc.

THIS INDEMNITY AGREEMENT Made this 25th day of 1973, between L. B. CULVER, JR., and SHARON LYNN and CULVER ENTERPRISES, INC., a California corporation, to as "INDEMNITOR", and BEN F. SMITH, hereinafter referred to as "INDERMITOR", and Indemnitor and Indemnitor of November 28, 1972, for the purpose of assuming by Indemnitor of Mutual Life Insurance Company, one of the companies referred to as "CONNECTICUT MUTUAL LIFE INSURANCE COMPANY", with interest thereon, page 10731, Microfilm, until the copy obtained; NOY

6086

1 THIS INDEMNITY AGREEMENT Made this 25th day of April,
2 1973, between L. B. CULVER, JR., and SHARON LYNN CULVER, his wife,
3 and CULVER ENTERPRISES, INC., a California corporation, herein referred
4 to as "INDEMNITOR", and BEN F. SMITH, herein referred to as "INDEMNITEE";

5 W I T N E S S E T H:

6 WHEREAS, Indemnitor and Indemnatee entered into an agreement
7 dated as of November 28, 1972, for the exchange of real property
8 in the State of Oregon and the State of California; and

9 WHEREAS, one of the considerations for the exchange was the
10 assumption by Indemnitor of Indemnatee's obligation to The Connecticut
11 Mutual Life Insurance Company, a Connecticut corporation, herein
12 referred to as "CONNECTICUT MUTUAL", in the amount of \$1,000,000.00,
13 with interest thereon, secured by a mortgage recorded in Volume M-72,
14 page 10731, Microfilm Records of Klamath County, Oregon; and

15 WHEREAS, Indemnitor desires that said assumption be postponed
16 until the consent of Connecticut Mutual to such assumption has been
17 obtained;

18 NOW, THEREFORE, Indemnitor covenants and agrees with Indemnatee
19 as follows:

20 1. For and in consideration of the consummation of said agree-
21 ment for the exchange of real property, and other valuable consideration,
22 Indemnitor hereby agrees to hold Indemnatee harmless from and to
23 indemnify Indemnatee against any and all claims, suits, actions,
24 debts, damages, costs (including, but not limited to collection or
25 overage charges), charges, and expenses (including, but not limited
26 to, court costs and reasonable attorney fees, whether or not at trial,
27 and, if at trial, for both trial or appeal), arising out of, or in
28 connection with, that certain mortgage, and obligation secured thereby
29 in favor of The Connecticut Mutual recorded in Volume M-72, page 10731,
30 Microfilm Records of Klamath County, Oregon, hereinafter collectively
31 called "MORTGAGE OBLIGATION", that Indemnatee shall or may at any
32 time sustain or be put to by reason of the failure on the part of
Indemnity Agreement
Page -1-

EXHIBIT "B"

J. ANTHONY GIACOMINI, ATTORNEY

1 the Indemnitor to pay, on behalf of the Indemnitee, any or all of
 2 the mortgage obligations to Connecticut Mutual according to the terms
 3 and provisions of the above described mortgage obligations. It is
 4 the intent of this Indemnity Agreement that the nature, scope, and
 5 extent of the obligations of Indemnitor to Indemnitee shall be the
 6 same as though Indemnitor had fully assumed said mortgage obligations
 7 and had agreed to pay and perform the same according to the terms
 8 thereof. That included in, but not limited to, said indemnification
 9 is the payment of the promissory note which forms part of the under-
 10 lying obligation secured by the above described mortgage. The terms
 11 of payment and performance of the note are as follows:

12 Interest only due on January 15, 1973, \$85,700.05 on
 13 January 15, 1974, and \$85,700.05 on the 15th day of
 14 January of each successive year thereafter, to and
 15 including the 15th day of January, 1997, each of such
 16 installments to be applied by the holder first to the
 17 payment of interest on said principal sum and on the
 18 balance thereof remaining from time to time unpaid from
 19 the date hereof at the rate of 7½% per annum, and the
 20 remainder thereof to principal. The final installment
 21 shall become due and payable on January 15, 1998, in the
 22 sum of \$358,333.52.

23 Any sum payable under said note not paid when due shall
 24 bear interest at the rate of 10% per annum from the due
 25 date thereof.

26 The prepayment of said note is limited by the following
 27 language:

28 The maker reserves the option of prepaying in any calendar
 29 year, without penalty, an amount of principal not in
 30 excess of the difference between one-fifth of the original
 31 principal sum and the amount of principal contained in the
 32 obligatory installment falling due in each calendar year,
 with full prepayment allowed the maker on the following
 schedule:

- (1) On January 15, 1975, with a 5% penalty;
- (2) On January 15, 1976, with a 4% penalty;
- (3) On January 15, 1977, with a 3% penalty;
- (4) On January 15, 1978, with a 2% penalty;

and with a 1% penalty on each successive January 15th of the
 term. All payments are to be made on installment paying
 dates upon sixty days advance written notice of intention
 to pay.

2. In the event Indemnitor shall not pay or perform on behalf
 of the Indemnitee the mortgage obligation, such failure to pay or

6088

1 perform the same shall constitute a material breach of this Indemnity
2 Agreement. The provisions of this Indemnity Agreement shall not be
3 construed as limiting whatever obligations may arise out of the con-
4 summation of said exchange agreement to Connecticut Mutual, either
5 at the time of such consummation or thereafter.

6 3. In the event any suit or action should be instituted by
7 Connecticut Mutual to enforce any provision of the mortgage obliga-
8 tion, Indemnitor agrees that Indemnitor will, at his expense, satisfy
9 the demands of said Connecticut Mutual and that failure to do so
10 shall constitute a material breach of this Indemnity Agreement.

11 4. In the event that Indemnatee should be obligated to pay
12 from any of his own funds any amounts to prevent a default of the
13 mortgage obligation in favor of Connecticut Mutual, such payment
14 shall be considered an expense repayable by Indemnitor to Indemnatee
15 as provided in paragraph 9 of the mortgage instrument securing this
16 Indemnity Agreement.

17 5. Upon Connecticut Mutual permitting Indemnitor to assume the
18 mortgage obligations, this Indemnity Agreement shall be deemed fully
19 performed and of no further force and effect, but, until such time,
20 this Indemnity Agreement shall be a continuing obligation of Indemnitor.

21 6. No modification or change of the terms of this Indemnity
22 Agreement shall be valid unless in writing signed by both Indemnitor
23 and Indemnatee.

24 7. The obligations of the Indemnitor shall be joint and several.

25 8. In the event any suit or action is instituted to enforce
26 any of the covenants of Indemnitor, the prevailing party, at trial
27 or on appeal, shall be entitled to such reasonable attorney fees
28 as shall be fixed by the court having jurisdiction of the case, in
29 addition to the statutory costs and disbursements.

30 9. This Indemnity Agreement is secured by the mortgage instru-
31 ment to which it is attached as Exhibit "B" and that this agreement
32 and said mortgage instrument shall be construed together as one document.

Indemnity Agreement
Page -3-

EXHIBIT "B"


(SEAL)

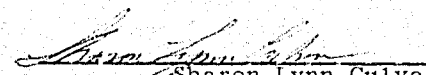
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1 10. Except for payment when due of the sums due under the terms
2 of the promissory note, any failure to perform any covenant of this
3 Indemnity Agreement, or the Mortgage securing the same, shall not
4 be deemed a default under the terms of said Mortgage and this Indem-
5 nity Agreement until written notice of such omission or failure of
6 performance has been given and said default has continued thirty
7 (30) days after giving of such notice. Notice shall be given in
8 the manner and form provided for in said mortgage instrument.

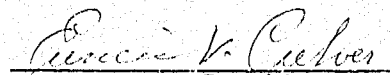
9 11. This Indemnity Agreement shall bind and inure to the
10 benefit of, as the circumstances may require, the executors,
11 administrators, heirs, successors and assigns of the parties
12 hereto.

13 IN WITNESS WHEREOF, the parties have hereunto set their hands
14 and seals, the corporate party pursuant to a resolution of its
15 board of directors, the day and year first above written.

16
17  (SEAL)
18 L. B. Culver, Jr.

19
20  (SEAL)
21 Sharon Lynn Culver
22 CULVER ENTERPRISES, INC.

23 (SEAL)

24 
25 President

26  (SEAL)
27 Ben F. Smith

28 STATE OF CALIFORNIA)
29 County of San Diego) ss.

30 On the 25th day of April, 1973, personally appeared
31 the above named L. B. Culver, Jr., and Sharon Lynn Culver, husband and
32 wife, and acknowledged the foregoing instrument to be their voluntary

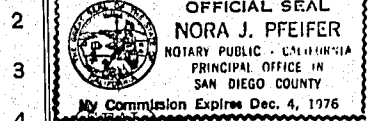
Indemnity Agreement
Page -4-

EXHIBIT "B"

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1 act and deed.



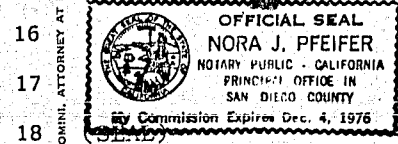
Before me:
Nora J. Pfeifer

Nora J. Pfeifer
Notary Public for California
My commission expires: 12/4/76

6 STATE OF CALIFORNIA)
7 County of San Diego) ss.

8 On the 25th day of April, 1973, personally appeared
9 Eunice V. Culver who, being duly sworn, did say that he
10 is the President of Culver Enterprises, Inc., a corporation and that
11 the seal affixed to the foregoing instrument is the corporate seal
12 of said corporation and that said instrument was signed and sealed
13 in behalf of said corporation by authority of its board of directors;
14 and each of them acknowledged said instrument to be its voluntary

15 act and deed.



Before me:
Nora J. Pfeifer

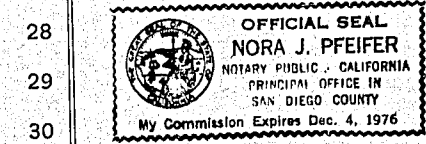
Nora J. Pfeifer
Notary Public for California
My commission expires: 12/4/76

20 STATE OF CALIFORNIA)
21 County of Orange County) ss.

22 On the 30th day of April, 1973, personally
23 appeared the above Ben F. Smith and acknowledged the foregoing instru-
24 ment to be his voluntary act and deed.

Before me:
Nora J. Pfeifer

27 (SEAL)



Nora J. Pfeifer
Notary Public for California
My commission expires: 12/4/76

STATE OF OREGON,)
County of Klamath) ss.

Filed for record at request of:
Transamerica Title Co.
on this 18th day of May A. D., 1973
at 3:03 o'clock P. M. and duly
recorded in Vol. M. 73 of Mortgages
Page 6074

Indemnity Agreement
Page -5-

EXHIBIT

Return: Transamerica Title Insurance Co.

WM. D. MILNE, County Clerk
By *Hazel Drayton*
Deputy.
Fee \$ 30.00