

KNOW ALL MEN BY THESE PRESENTS, That PRIMARY SOURCE, INC., a California Corporation

hereinafter called the grantor, for the consideration hereinafter stated, to grantor paid by Chris Lester Rookstool, hereinafter called the grantee, does hereby grant, bargain, sell and convey unto the said grantee and grantee's heirs, successors and assigns, that certain real property, with the tenements, hereditaments and appurtenances thereunto belonging or appertaining, situated in the County of Klamath and State of Oregon, described as follows, to-wit:

Lots 1 and 2 in Block 4, Tract No. 1031, SHADOW HILLS - I, Klamath County, Oregon. SUBJECT TO: Restrictions, set back provisions and utility easements, as delineated on the recorded plat of Tract No. 1031, Shadow Hills-I, but omitting restrictions, if any, based on race, color, religion or national origin. Utility easements as delineated on the recorded plat along rear lot lines 8 feet wide. Sewer Unit #46, Card 1, docketed June 12, 1972. \$171.00 owing for Lot 1 and \$171.00 owing for Lot 2, Block 4. Grantee herein agrees to assume and pay said sewer improvement lien as a term of this sale.

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE SIDE)

To Have and to Hold the same unto the said grantee and grantee's heirs, successors and assigns forever. And said grantor hereby covenants to and with said grantee and grantee's heirs, successors and assigns, that grantor is lawfully seized in fee simple of the above granted premises, free from all encumbrances except as specifically set out above,

and that grantor will warrant and forever defend the said premises and every part and parcel thereof against the lawful claims and demands of all persons whomsoever, except those claiming under the above described encumbrances.

The true and actual consideration paid for this transfer, stated in terms of dollars, is \$ 11,000.00. However, the actual consideration consists of or includes other property or value given or promised which is the whole or part of the consideration (indicate which). (The sentence between the symbols @, if not applicable, should be deleted. See ORS 93.030.)

In construing this deed and where the context so requires, the singular includes the plural and all grammatical changes shall be implied to make the provisions hereof apply equally to corporations and to individuals.

In Witness Whereof, the grantor has executed this instrument this 24 day of December, 1976; if a corporate grantor, it has caused its name to be signed and seal affixed by its officers, duly authorized thereto by order of its board of directors.

STATE OF OREGON, ) ss. County of Klamath, 1976

PRIMARY SOURCE, INC., a California Corporation by: J. K. O'Neill President by: Peggy A. O'Neill Secretary Klamath ) ss. December 24, 1976

Personally appeared the above named

Personally appeared J. K. O'Neill and Peggy A. O'Neill who, being duly sworn, each for himself and not one for the other, did say that the former is the president and that the latter is the secretary of PRIMARY SOURCE INC., A California Corporation

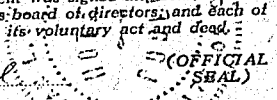
and acknowledged the foregoing instrument to be voluntary act and deed.

and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and each of them acknowledged said instrument to be its voluntary act and deed.

Before me: Notary Public for Oregon My commission expires:

Before me: Susan L. Stockwell Notary Public for Oregon My commission expires: 6-13-80

(OFFICIAL SEAL)



Primary Source, Inc. 8727 Bison Place Gold Hill, OR 97525 GRANTOR'S NAME AND ADDRESS

Chris Lester Rookstool Rt. 1, Box 570 Klamath Falls, OR 97601 GRANTEE'S NAME AND ADDRESS

After recording return to: Chris Lester Rookstool Rt. 1, Box 570 Klamath Falls, OR 97601 NAME, ADDRESS, ZIP

Until a change is requested all tax statements shall be sent to the following address: Chris Lester Rookstool Rt. 1, Box 570 Klamath Falls, OR 97601 NAME, ADDRESS, ZIP

STATE OF OREGON, ) ss. County of Klamath

I certify that the within instrument was received for record on the 4th day of January, 1977, at 11:27 o'clock A.M. and recorded in book M77 on page 139 or as file/reel number.

Record of Deeds of said county. Witness my hand and seal of County affixed.

Wm. D. Milne Recording Officer By: [Signature] Deputy

Fee \$3.00

SPACE RESERVED FOR RECORDER'S USE

- 8. Mortgagee shall be entitled to all compensation and damages received under right of eminent domain, or for any security voluntarily released, same to be applied upon the indebtedness;
- 9. Not to lease or rent the premises, or any part of same, without written consent of the mortgagee;
- 10. To promptly notify mortgagee in writing of a transfer of ownership of the premises or any part or interest in same, and to furnish a copy of the instrument of transfer to the mortgagee; a purchaser shall pay interest as prescribed by ORS 407.070 on all payments due from the date of transfer; in all other respects this mortgage shall remain in full force and effect.

The mortgagee may, at his option, in case of default of the mortgagor, perform same in whole or in part and all expenditures made in so doing including the employment of an attorney to secure compliance with the terms of the mortgage or the note shall draw interest at the rate provided in the note and all such expenditures shall be immediately repayable by the mortgagor without demand and shall be secured by this mortgage.

Default in any of the covenants or agreements herein contained or the expenditure of any portion of the loan for purposes other than those specified in the application, except by written permission of the mortgagee given before the expenditure is made, shall cause the entire indebtedness at the option of the mortgagee to become immediately due and payable without notice and this mortgage subject to foreclosure.

The failure of the mortgagee to exercise any options herein set forth will not constitute a waiver of any right arising from a breach of the covenants.

In case foreclosure is commenced, the mortgagor shall be liable for the cost of a title search, attorney fees, and all other costs incurred in connection with such foreclosure.

Upon the breach of any covenant of the mortgage, the mortgagee shall have the right to enter the premises, take possession, collect the rents, issues and profits and apply same, less reasonable costs of collection, upon the indebtedness and the mortgagee shall have the right to the appointment of a receiver to collect same.

The covenants and agreements herein shall extend to and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto.

It is distinctly understood and agreed that this note and mortgage are subject to the provisions of Article XI-A of the Oregon Constitution, ORS 407.010 to 407.016 and any subsequent amendments thereto and to all rules and regulations which have been issued or may hereafter be issued by the Director of Veterans' Affairs pursuant to the provisions of ORS 407.020.

WORDS: The masculine shall be deemed to include the feminine, and the singular the plural where such connotations are applicable herein.

IN WITNESS WHEREOF, The mortgagors have set their hands and seals this 4th day of January, 1977.

*Robert M. Pomeroy* (Seal)  
*Sandra S. Pomeroy* (Seal)

**ACKNOWLEDGMENT**

STATE OF OREGON

County of Klamath

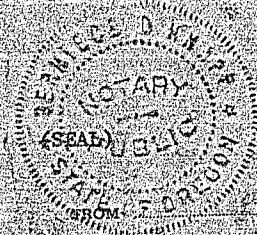
Before me, a Notary Public, personally appeared the within named ROBERT M. POMEROY and SANDRA S. POMEROY

his wife and acknowledged the foregoing instrument to be their voluntary act and deed.

WITNESS my hand and official seal the day and year last above written.

*Bernice D. Kraft*  
 Notary Public for Oregon

My Commission expires 3/13/80



**MORTGAGE**

TO Department of Veterans' Affairs

L- M56929

STATE OF OREGON

County of Klamath

I certify that the within was received and duly recorded by me in Klamath County Records, Book of Mortgages,

No. 177 Page 137 on the 4th day of January 1977 Klamath County Oregon

By Wm. L. Milne, County Clerk

By *Hazel Orsmond* Deputy

Filed January 4, 1977 at o'clock 11:17 A Wm. L. Milne, County Clerk

County Klamath Fee \$6.00 By *Hazel Orsmond* Deputy

After recording return to:  
 DEPARTMENT OF VETERANS' AFFAIRS  
 General Services Building  
 Salem, Oregon 97310