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THE MORTGAGOR

NOTE AND MORTGAGE

and wife

Gordon Gene Culver and Sharon D. Culver, husband

mortgages to the STATE OF OREGON, represented and acting by the Director of Veterans Affairs, pursuant to ORS 407.030, the following described real property located in the State of Oregon and County of Klamath

## PARCEL 1

A tract of land situated in the SE $\frac{1}{4}$  of Section 21, Township 39 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at a point on the South line of said Section 21, South 89° 54' 41" East 1604.50 feet from the South  $\frac{1}{4}$  corner of said Section 21; thence North 01° 29' 30" East 34.43 feet to the South-east corner of Deed Volume 353, page 265, as recorded in the Klamath County Deed Records; thence continuing North 01° 29' 30" East 535.28 feet to the Northeast corner of said Deed Volume; thence South 84° 27' 30" West 366.00 feet to the Northwest corner of said Deed Volume; thence North 00° 03' 30" East 1370 feet, more or less, to the Southerly bank of Lost River; thence Easterly along said bank 1280 feet, more or less, to the Westerly boundary of River Ranch Estates, a duly recorded subdivision and the center line of a drain ditch; thence Southerly along said boundary and drain ditch 1830 feet, more or less, to the South line of said Section 21; thence North 89° 54' 41" West 586.55 feet to the point of beginning.

EXCEPTING the Southerly 30.00 feet Deeded to Klamath County by Deed Volume 157 at page 320, as recorded in the Klamath County Deed Records, with bearings based on a solar observation.

TOGETHER WITH a 60 foot easement whose Easterly line is described as follows: Beginning at a point South 89° 54' 41" East 1254.50 feet and North 00° 03' 30" East 30.00 feet, from the South quarter corner of Section 21, Township 39 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon, said point being on the Northerly right of way line of the County road; thence North 00° 03' 30" East, along the Southerly extension of the Westerly line of that tract of land described in said deed volume 353, page 265 and along said Westerly line and its Northerly extension 599.71 feet.

## PARCEL 2

A parcel of land situate in the North half of Section 30, Township 39 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon, described as follows:

The mortgagor or subsequent owner may pay all or any part of the loan at any time without penalty.

This mortgage is given in conjunction with and supplementary to that certain mortgage by the mortgagors herein to the State of Oregon, dated June 12, 1973, and recorded in Book M-73, page 7440, and this mortgage is also given as security for an additional advance in the amount of \$7,637.00, together with the balance of indebtedness covered by the previous note, and the new note is evidence of the entire indebtedness.

The mortgagor covenants that he owns the premises in fee simple, has good right to mortgage same, that the premises are free from encumbrance, that he will warrant and defend same forever against the claims and demands of all persons whomsoever, and this covenant shall not be extinguished by foreclosure, but shall run with the land.

## MORTGAGOR FURTHER COVENANTS AND AGREES:

1. To pay all debts and moneys secured hereby;
2. Not to permit the buildings to become vacant or unoccupied; not to permit the removal or demolition of any buildings or improvements now or hereafter existing; to keep same in good repair; to complete all construction within a reasonable time in accordance with any agreement made between the parties hereto;
3. Not to permit the cutting or removal of any timber except for his own domestic use; not to commit or suffer any waste;
4. Not to permit the use of the premises for any objectionable or unlawful purpose;
5. Not to permit any tax, assessment, lien, or encumbrance to exist at any time;
6. Mortgagee is authorized to pay all real property taxes assessed against the premises and add same to the principal, each of the advances to bear interest as provided in the note;
7. To keep all buildings unceasingly insured during the term of the mortgage, against loss by fire and such other hazards in such company or companies and in such an amount as shall be satisfactory to the mortgagee; to demand with the mortgagee all such policies with receipts showing payment in full of all premiums; all such insurance shall be made payable to the mortgagee; insurance shall be kept in force by the mortgagor in case of foreclosure until the period of redemption expires;

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PARCEL 2

A parcel of land situate in the North half of Section 30, Township 39 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon, described as follows: **12604 10330**

Beginning at the quarter section corner on the Northerly boundary of said Section 30, Township 39 South, Range 10 East of the Willamette Meridian, and running thence Easterly along the said Northerly section boundary 1074.2 feet; thence Southerly 1433 feet, more or less, to the center of a drain which runs East and West; thence Westerly along the center of said drain 1389.2 feet, more or less, to the Easterly right of way boundary of the "C" Canal of the U.S.R.S. Klamath Project; thence Northeasterly along the Easterly boundary of the right of way of the said "C" Canal to where the said Easterly boundary intersects the North and South center line of said Section 30; thence Northerly along said center line of Section 30 to the place of beginning, SAVING AND EXCEPTING THEREFROM a small piece of the above described tract, including 0.25 acres, more or less, which is contained within the right of way of the "C" Canal of the U.S. Reclamation Service, Klamath Project, Klamath County, Oregon.

Beginning at the Section corner common to Sections 19, 20, 29 and 30, Township 39 South, Range 10 East of the Willamette Meridian, and running thence Westerly along the Northerly boundary of the said Section 30, 1573.5 feet, more or less, to the point 1074.2 feet Easterly along the said boundary from the quarter section corner on the Northerly boundary of the said Section 30; thence South 30 feet; thence East 1573.5 feet, more or less, to the Easterly boundary of the said Section 30; thence North 30 feet to the place of beginning, being a portion of the North half of the Northeast quarter of Section 30, Township 39 South, Range 10 East of the Willamette Meridian.

A parcel of land lying in the North half of Section 30, Township 39 South, Range 10 East of the Willamette Meridian, more particularly described as follows:

Beginning at the Southwest corner of the Northeast quarter of said Section 30; thence running East along the South boundary of said Northeast quarter, a distance of 1074.2 feet; thence North 1224.5 feet, more or less, to the center of a drain which runs East and West; thence Westerly along the center line of said drain a distance of 1389.2 feet, more or less, to the Easterly boundary of the right of way of the "C" Canal of the U.S. Reclamation Service, Klamath Project; thence Southwesterly along the Easterly boundary of said Canal, to the intersection of the Easterly boundary of the "C-G" Canal to the U. S. Reclamation Service, Klamath Project; thence Southeasterly along the Easterly boundary of said "C-G" Canal, to the intersection with the South line of the Northwest quarter of said Section 30; thence Easterly along said South line to the point of beginning.

I hereby certify that the within instrument was received and filed for record on the 13th day of June A.D., 19 78 at 4:33 o'clock P. M., and duly recorded in Vol. M78 of Mortgages on Page 12603.

FEE None

WM. D. MILNE, County Clerk

By Barbara Heloch Deputy

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together with the tenements, hereditaments, rights, privileges, and appurtenances including roads and easements used in connection with the premises; electric wiring and fixtures; furnace and heating system; water heaters, fuel storage receptacles; plumbing, ventilating, water and irrigating systems; screens, doors; window shades and blinds, shutters; cabinets, built-ins, linoleums and floor coverings, built-in stoves, ovens, electric sinks, air conditioners, refrigerators, freezers, dishwashers; and all fixtures now or hereafter installed in or on the premises; and any shrubbery, flora, or timber now growing or hereafter planted or growing thereon; and any replacements of any one or more of the foregoing items, in whole or in part, all of which are hereby declared to be appurtenant to the land, and all of the rents, issues, and profits of the mortgaged property;

to secure the payment of Sixty Six Thousand and no/100-----Dollars (\$66,000.00-----), and interest thereon, and as additional security for an existing obligation upon which there is a balance owing of Sixty Thousand Three Hundred Twenty Four and 86/100-----Dollars (\$60,324.86-----), evidenced by the following promissory note:

I promise to pay to the STATE OF OREGON:  
Sixty Six Thousand and no/100-----Dollars (\$66,000.00-----), with interest from the date of initial disbursement by the State of Oregon, at the rate of 5.9-----percent per annum,  
Forty Eight Thousand Four Hundred Seventy One and 63/100-----Dollars (\$48,471.63-----), with interest from the date of initial disbursement by the State of Oregon, at the rate of 5.9-----percent per annum,  
Eleven Thousand Eight Hundred Fifty Three and 23/100-----Dollars (\$11,853.23-----), with interest from the date of initial disbursement by the State of Oregon, at the rate of 4.0-----percent per annum, until such time as a different interest rate is established pursuant to ORS 407.072.  
principal and interest to be paid in lawful money of the United States at the office of the Director of Veterans' Affairs in Salem, Oregon, as follows: \$8,208.00-----on or before October 1, 1979-----and \$8,208.00 on each October-----thereafter, plus -----  
the ad valorem taxes for each successive year on the premises described in the mortgage, and continuing until the full amount of the principal, interest and advances shall be fully paid, such payments to be applied first as interest on the unpaid principal, the remainder on the principal.  
The due date of the last payment shall be on or before October 1, 2018-----  
In the event of transfer of ownership of the premises or any part thereof, I will continue to be liable for payment and the balance shall draw interest as prescribed by ORS 407.070 from date of such transfer.  
This note is secured by a mortgage, the terms of which are made a part hereof.

Dated at Klamath Falls, Oregon May 22 1978  
Gordon Gene Culver  
GORDON GENE CULVER  
Sharon D. Culver  
SHARON D. CULVER

The mortgagor or subsequent owner may pay all or any part of the loan at any time without penalty.  
This mortgage is given in conjunction with and supplementary to that certain mortgage by the mortgagors herein to the State of Oregon, dated June 12, 1973 and recorded in Book M-73 page 7440,  
December 2, 1974 and recorded in Book M-74 page 15358,  
February 17, 1978 and recorded in Book M-78 page 3157,  
County, Oregon, which was given to secure the payment of a note in the amount of \$7,637.00 and this mortgage is also given as security for an additional advance in the amount of \$66,000.00 together with the balance of indebtedness covered by the previous note, and the new note is evidence of the entire indebtedness.

The mortgagor covenants that he owns the premises in fee simple, has good right to mortgage same, that the premises are free from encumbrance, that he will warrant and defend same forever against the claims and demands of all persons whomsoever, and this covenant shall not be extinguished by foreclosure, but shall run with the land.

- MORTGAGOR FURTHER COVENANTS AND AGREES:
1. To pay all debts and moneys secured hereby;
  2. Not to permit the buildings to become vacant or unoccupied; not to permit the removal or demolition of any buildings or improvements now or hereafter existing; to keep same in good repair; to complete all construction within a reasonable time in accordance with any agreement made between the parties hereto;
  3. Not to permit the cutting or removal of any timber except for his own domestic use; not to commit or suffer any waste;
  4. Not to permit the use of the premises for any objectionable or unlawful purpose;
  5. Not to permit any tax, assessment, lien, or encumbrance to exist at any time;
  6. Mortgagee is authorized to pay all real property taxes assessed against the premises and add same to the principal, each of the advances to bear interest as provided in this note;
  7. To keep all buildings properly insured during the term of the mortgage, against fire, theft and such other hazards in such policies or companies and for such amounts as shall be satisfactory to the mortgagee, and to deliver to the mortgagee all such policies with receipts showing the full amount of all premiums; all such insurance shall be made payable to the mortgagee; insurance shall be kept in force until the date of foreclosure or until the period of prescription expires;

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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 407.310 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 22 day of May, 1978

Gordon Gene Culver (Seal)  
GORDON GENE CULVER

Sharon D. Culver (Seal)  
SHARON D. CULVER

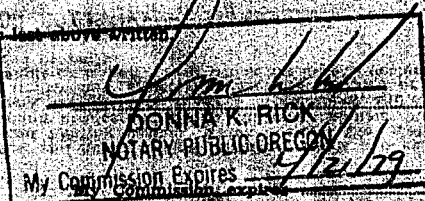
### ACKNOWLEDGMENT

STATE OF OREGON.

County of KLAMATH

Before me, a Notary Public, personally appeared the within named GORDON GENE CULVER and SHARON D. CULVER 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.



### MORTGAGE

FROM TO Department of Veterans' Affairs

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. M78 Page 10837 on the 23rd day of May, 1978 WM. D. MILNE Klamath County Clerk

By Bernetha J. Helich Deputy.

Filed May 23, 1978 at o'clock 11:15 A.M.

Klamath Falls, Oregon

County Klamath

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

Fee \$12.00

NOTE AND MORTGAGE

INDEXED



STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 13th day of June A.D., 1978 at 4:33 o'clock P. M., and duly recorded in Vol. M78 of Mortgages on Page 12603.

FEE None

WM. D. MILNE, County Clerk

By Bernetha J. Helich Deputy