

THIS **THIRD MORTGAGE**, Made this 17 day of September, 1978,
 by Daniel E. Lown and Linda L. Lown, husband and wife, Mortgageor,
 to Martha A. Gurney, Mortgagee,

WITNESSETH, That said mortgage, for, in consideration of One hundred thirty-three thousand and no/100 Dollars, to him paid by said mortgagee, does hereby grant, bargain, sell and convey unto said mortgagee, his heirs, executors, administrators and assigns, that certain real property situated in Klamath County, State of Oregon, bounded and described as follows, to-wit:

(See attached Exhibit "A" and by this reference incorporated herein as if fully set forth herein.)

TOGETHER WITH a 1974 Broadcast mobile home, Serial No. 3178.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and which may hereafter thereto belong or appertain, and the rents, issues and profits therefrom, and any and all fixtures upon said premises at the time of the execution of this mortgage or at any time during the term of this mortgage.

TO HAVE AND TO HOLD the said premises with the appurtenances unto the said mortgagee, his heirs, executors, administrators and assigns forever.

This mortgage is intended to secure the payment of 3 promissory note, of which the following is a substantial copy:

\$13,000.00 Klamath Falls, Oregon, September 19 78
 I (or if more than one maker) we, jointly and severally, promise to pay to the order of Martha A. Gurney
C/O Mountain Title Company, 407
Main St., Klamath Falls, Oregon, DOLLARS,
 One hundred thirty-three thousand and no/100
 with interest thereon at the rate of 8 percent per annum from September 30, 1978 until paid, payable in
 three (3) installments, as the dates and in amounts as follows: December 30, 1978--\$13,000.00; August
 1, 1979--\$175,000.00; August 1, 1980--balance due in full;

all such payments, if any, will not be reduced, interest shall be paid
 the payments above required, which shall continue until this note, principal and interest, is fully paid; if any of said installments is not so
 paid, all principal and interest to become immediately due and collectible at the option of the holder of this note. If this note is placed in
 the hands of an attorney for collection, the maker and agree to pay the reasonable attorney's fees and collection costs of the holder
 hereof, and if suit or action is filed hereon, the maker to pay (1) holder's reasonable attorney's fees to be fixed by the trial court and
 (2) if any appeal is taken from any decision of the trial court, such further sum as may be fixed by the appellate court, as the holder's
 reasonable attorney's fees in the appellate court.

Prepayment without penalty.

This note is due in full on or before August
 1, 1980.

Daniel E. Lown

Linda L. Lown

The date of maturity of the debt secured by this mortgage is the date on which the last scheduled principal payment oc-
 cures due, to-wit: August, 1980.

And said mortgagee covenants to and with the mortgagee, his heirs, executors, administrators and assigns, that he is lawfully
 seized in fee simple of said premises and has a valid, unencumbered title thereto. **EXCEPT** prior mortgages set
 forth herein.

and will warrant and forever defend the same against all persons; that he will pay said note, principal and interest, according to
 the terms thereof; that while any part of said note remains unpaid he will pay all taxes, assessments and other charges of every
 nature which may be levied or assessed against said property, or this mortgage or the note above described, when due and pay-
 able and before the same may become delinquent; that he will promptly pay and satisfy any and all liens or encumbrances that
 are or may become liens on the premises or any part thereof superior to the lien of this mortgage; that he will keep the buildings
 now on or which hereafter may be erected on the said premises continuously insured against loss or damage by fire and such other
 hazards as the mortgagee may from time to time require, in an amount not less than the original principal sum of the note or
 addition insured by this mortgage, in a company or companies acceptable to the mortgagee, with loss payable first to the mort-
 gagee and then to the mortgagee or their respective interests as they appear; all policies of insurance shall be delivered to the mort-
 gagee as soon as insured. Now all the mortgagee shall fail for any reason to procure any such insurance and to deliver said policies
 to the mortgagee at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings,
 the mortgagee may procure the same at mortgagee's expense; that he will keep the buildings and improvements on said premises
 in good repair and will not commit or suffer any waste of said premises. At the request of the mortgagee, the mortgageor shall
 join with the mortgagee in executing and recording the same in the proper public office or offices, as well as the cost of all lien
 searches made by filing officers or recording agencies as may be deemed desirable by the mortgagee.

The institution warrants that the proceeds of the loan represented by the above described note and this mortgage are: -
(a) primarily for mortgagee's personal, family, household or agricultural purposes (see Important Notice below);
(b) not for consumption or for investment purposes (see Important Notice below);
(c) not for business or commercial purposes (see Important Notice below).

[illegible]

IN WITNESS WHEREOF
written.

...morning for him here.

Daniel E. Lown
Linda L. Lown

MORTGAGE

01

STATE OF OREGON.

County of

I certify that the within instrument was received for record on the day of _____, 19____, at _____ o'clock _____ M., and recorded in book _____ on page _____ or as file number _____.

Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Title.

By _____

STEVENS-HESS LAW PUB. CO., PORTLAND, ORE.

STATE OF OREGON.

County of Klamath

BE IT REMEMBERED, That on this 11 day of September, 1978, before me, the undersigned, a notary public in and for said county and state, personally appeared the within named Daniel E. Lown and Linda L. Lown, husband and wife.

acknowledged to me that they executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and allixed my official seal, the day and year last above written.

My Commission Expires 9 JUL 78

A parcel of land lying in Sections 29 and 32, Township 39 South, Range 8 East of the Willamette Meridian, in the County of Klamath State of Oregon, being a portion of that real property described on page 659, Volume 259, said parcel more particularly described as follows:

Starting at a steel stake set in a mound of stone, which stake marks the Northeast corner of the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$, Section 29; thence North 89° 19.9' West 168 feet along a well established fence line to a fence corner; thence South 6° 21' East 2571.58 feet along a well established fence line to a steel stake; thence North 74° 20.9' East 665.09 feet to a steel stake; thence North 74° 20.9' East 30.61 feet to a steel stake; thence North 74° 20.9' East 30.61 feet to a steel stake; thence North 74° 20.9' East 703.07 feet to a steel stake; thence North 0° 53' East 759.84 feet along a well established fence line to a fence corner; thence North 49° 07' West 23.92 feet to a fence corner; thence North 0° 53' East 907 feet along a well established fence line to a fence corner; thence South 79° 07' East 18.53 feet to a fence corner; thence North 0° 53' East 471.75 feet along a well established fence line to a fence corner; thence North 89° 19.9' West 1326.07 feet along a well established fence line to the place of beginning.

Together with a non-exclusive right of ingress and egress across a 60 foot strip of land adjoining the above described parcel, said strip more particularly described as follows:

Starting at the steel stake which lies on the Southerly line of the above described parcel of land and which steel stake lies North 74° 20.9' East 665.09 feet from the Southwest corner of the above described parcel of land; thence South 4° 11.3' East 863.71 feet more or less to a steel stake which lies on the Northerly right of way line of Oregon Highway 66 as constructed; thence North 72° 56.4' East 30.77 feet along said right of way line to a steel stake; thence North 72° 56.4' East 30.77 feet along said right of way line to a steel stake; thence North 4° 11.3' West 862.06 feet more or less to a steel stake which lies on the South line of the above described parcel; thence South 74° 20.9' West 30.61 feet along said South line to a steel stake; thence South 74° 20.9' West 30.61 feet along said South line to the place of beginning.

Subject, however, to the following:

1. Taxes for the year 1978-1979 are now a lien but not yet payable.
2. As disclosed by the assessment and tax roll, the premises herein have been special assessed for farm use. If the land becomes disqualified for this special assessment under the statutes, an additional tax, plus interest and penalty, will be levied for the number of years in which this special assessment was in effect for the land.
3. Rights of the public in and to any portion of said premises lying within the limits of public roads and highways.
4. Regulations, including levies, assessments, water and irrigation rights and easements for ditches and canals, of Emmitt District Improvement Company.
5. Water contract, including the terms and provisions thereof, between United States of America and Emmitt District Improvement Co., dated December 1, 1947, recorded July 14, 1948 in Book 222 at page 439, Deed Records.
6. Waiver of riparian rights, including the terms and provisions thereof, from R. A. Emmitt, et ux., to United States of America dated July 5, 1905 recorded September 16, 1905 in Book 18 at page 328, Deed Records.
7. Right of way, including the terms and provisions thereof, dated December 23, 1907, recorded December 24, 1907 in Book 23 at page 410, Deed Records, from Robert A. Emmitt, et ux., to United States of America.
8. Contract, including the terms and provisions thereof, between United States of America and C. F. Wall and May Wall, husband and wife, to Water Supply pursuant to the Warren Act, dated July 15, 1941, recorded July 31, 1941 in Book 140 at page 81, Deed Records, which Mortgagors do not assume and agree to pay, and Mortgagee further covenants to and with Mortgagors that the said prior contract shall be paid in full prior to, or at the time this contract is fully paid and that said above described real property will be released from the lien of said contract upon payment of this contract.

9. Mortgage, including the terms and provisions thereof, with interest thereon and such future advances as may be provided therein, given to secure the payment of \$10,000.00

Dated : December 1, 1965 Book: M-65 Page: 4333
 Recorded : December 6, 1965
 Mortgagor : Paul D. Hess and Helen E. Hess, husband and wife,
 Mortgagee : Federal Land Bank of Spokane, a corporation, which
 Mortgagors do not assume and agree to pay, and Mortgagee further covenants to and with Mortgagors that the said prior mortgage shall be paid in full prior to, or at the time this contract is fully paid and that said above described real property will be released from the lien of said mortgage upon payment of this contract.

10. Mortgage, including the terms and provisions thereof, with interest thereon and such future advances as may be provided therein, given to secure the payment of \$16,341.10

Dated : March 14, 1966 Book: M-66 Page: 2180
 Recorded : March 15, 1966
 Mortgagor : Karol J. Gurney and Martha A. Gurney, husband and wife,
 Mortgagee : Paul D. Hess and Helen E. Hess, husband and wife,
 Re-recorded : March 28, 1966 Book: M-66 Page: 2699

The above mortgage was assigned by instrument
 Recorded : September 28, 1967 Book: M-67 Page: 7573
 To : United States National Bank, which Mortgagors do not assume and agree to pay, and Mortgagee further covenants to and with Mortgagors that the said prior mortgage shall be paid in full prior to, or at the time this contract is fully paid and that said above described real property will be released from the lien of said mortgage upon payment of this contract.

11. An easement created by instrument, including the terms and provisions thereof,

Dated : June 18, 1968 Book: M-68 Page: 5558
 Recorded : June 21, 1968

In favor of : Pacific Power & Light Company
 (portion SW 1/4 Sec. 29 and NW 1/4 Sec. 32. No exact location given)

12. Subject to the requirements and provisions of ORS Chapter 481 pertaining to the registration and transfer of ownership of a mobile home, and any interest or liens disclosed thereby.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

and for record at request of Transamerica Title Co
 on 12th day of September A. D. 1978 at 10:57 o'clock A. M., and
 duly recorded in Vol. M78 of Deeds on Page 20103

Wm D. MILNE, County Clerk

Per [Signature]

Fee \$12.00

STATE OF OREGON; COUNTY OF KLAMATH; ss.

and for record ~~at request of~~
 on 14th day of September A. D. 1978 at 10:27 o'clock A. M., and
 duly recorded in Vol. M78 of Mortgages on Page 20293

Wm D. MILNE, County Clerk

Per [Signature]

No fee