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MORTGAGE

ALFRED O. KERSGARD and BARBARA ANN KERSGARD (his wife), Mortgagors, residing in the County of Santa Clara, California, jointly and severally, hereby convey, assign, warrant, and mortgage to TRI-STATE LIVESTOCK CREDIT CORPORATION, a California corporation, Mortgagee, having its principal place of business in San Francisco, California, the following described real property in the County of Klamath, State of Oregon, to-wit:-

The SW $\frac{1}{4}$  of Section 12, Township 39 South, Range 11 East of the Willamette Meridian, Lots 14 and 15, RIVERSIDE TRACTS, Klamath County, Oregon.

SUBJECT TO:-

1. Acreage and use limitation under provisions of the United States Statutes and regulations issued thereunder. Liens and assessments of Klamath Project and Horsefly Irrigation District, and regulations, contracts, easements, and water and irrigation rights in connection therewith.
2. Right of Way, including the terms and provisions thereof, from A. C. Mullenax, also known as Alfred C. Mullenax, a single man, to The California Oregon Power Company, a California corporation, recorded April 17, 1947 in Deed Volume 205 at page 99, Records of Klamath County, Oregon.
3. The rights of the public and of governmental bodies in and to any portion of the above property lying below low water mark of the Lost River.
4. Rights of the public in and to any portion of the above described property lying within the limits of roads or highways.

Together with Mortgagors' existing and future rights, however evidenced, to the use of water for irrigating said lands, and for domestic and stock watering purposes, including ditches, laterals, canals, conduits, pumping plants, wind machines, and rights of way used to convey such water or to drain said land, all of which rights are hereby made appurtenant and/or fixtures to said land; all leases, permits and licenses used with said land; all tenements, hereditaments, easements, rights of way, and appurtenances to said land and the rents, issues, and profits thereof.

This mortgage is intended to secure, and does hereby secure, the payment of indebtedness evidenced by a certain note or notes, with interest thereon, executed by the Mortgagors in favor of the Mortgagee, payable at said office of the Mortgagee, which note or notes are described as follows:-

<u>Dated</u>	<u>Amount</u>
February 3rd, 1967	\$191,365.00

In addition this mortgage is also security for the payment of (1) all sums which may be or become due to the Mortgagee from the Mortgagors, whether resulting from advances to or in behalf of the Mortgagors or otherwise, with interest on all such sums; (2) substitution notes and/or renewals and/or extensions of all notes from Mortgagors and Mortgagors' heirs, executors, administrators, successors or assigns in favor, or assigned to, the Mortgagee. Mortgagor expressly waives all statutes of limitation and benefit of all exemption, homestead, and similar statutes which might otherwise be available to them.



1035

Advances made by the Mortgagee after discount or assignment of this mortgage shall be secured hereby but shall be subject to prior payment of the indebtedness discounted or assigned.

As additional security, Mortgagors assign, without obligations on Mortgagee to effect collection, all damages, royalties, rentals, and other revenue from all present and future oil, gas and mineral leases, rights and operations affecting said lands.

Mortgagors covenant and agree:-

(1) That the Mortgagee or its duly authorized agents shall at all times have the right to enter upon and inspect said lands;

(2) That the Mortgagors will, at Mortgagors' expense, (a) forever warrant and defend the title to said lands and the water rights thereto; (b) protect the security and lien in any litigation; (c) care for the security in a farmerlike manner; (d) maintain fire insurance on the improvements, as required by Mortgagee;

(3) Mortgagors will pay when due and payable, all obligations secured hereby, and by judgment or other liens, all national, state, county, city or other taxes, assessments, and charges now or hereafter levied or assessed against said property or against stock, contracts or rights pledged herein, and Mortgagors agree that Mortgagee may pay such taxes, assessments or liens without notice and that all sums so paid with interest at the same rate per annum as set forth in the note or notes herein described shall be immediately payable and a part of the debt secured hereby, and the Mortgagee shall be sole judge of the legality or validity of such taxes, assessments or liens;

(4) Mortgagee may (a) litigate any matters and appear in any condemnation or bankruptcy proceeding affecting the security or lien, and may incur necessary costs, expenses, and attorney fees therefor; (b) advance money for payment of such costs, expenses, and attorney fees, and for payment of all obligations herein incurred by Mortgagors, which advances, together with interest at the same rate per annum as set forth in the note or notes herein described, shall be immediately payable and a part of the debt secured thereby. All condemnation awards and damages shall be paid to Mortgagee;

(5) Upon Mortgagors' default or breach, Mortgagee may:- (a) take possession of said premises with all rights of Mortgagee in possession, or have a receiver appointed; (b) at its option accelerate the maturity of the indebtedness, foreclose this mortgage, have the power of sale exercised in accordance with law then in force and incur costs, expenses, and reasonable attorney's fees; (c) have the security sold in one parcel;

(6) Acceptance by Mortgagee of any payment shall not operate as a waiver of any prior default, and the release of any portion of said security, or any release from personal liability, shall not affect the personal liability of any person not specifically released, nor the lien hereof on the remainder of said premises for the balance of said indebtedness;

(7) Each Mortgagor is jointly and severally liable for all obligations secured hereby, which obligations shall extend to and bind the heirs, executors, administrators, successors and assigns of each Mortgagor.

Executed February 8, 1967.  
(Date)

*Alfred O. Kersgard*  
(Alfred O. Kersgard)  
*Barbara Ann Kersgard*  
(Barbara Ann Kersgard)



STATE OF California )  
County of Santa Clara ) ss.  
On this 8<sup>th</sup> day of February, 1967, before me,  
Alan K. Maple, a Notary Public in and for said

1036

County and State, personally appeared ALFRED O. KERSGARD, known to me to be the person described in and whose name is subscribed to the within instrument, and acknowledged to me that he executed the same freely and voluntarily for the uses, purposes and consideration therein mentioned.

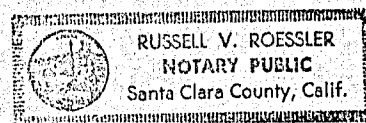
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Alan K. Maple  
Notary Public in and for said County and State  
My Commission expires Sept 7, 1969

STATE OF CALIFORNIA )  
County of SANTA CLARA ) ss.  
On this 9th day of February, 1967, before me,  
RUSSELL V. ROESSLER, a Notary Public in and for said

County and State, personally appeared BARBARA ANN KERSGARD, known to me to be the person described in and whose name is subscribed to the within instrument and acknowledged to me that she executed the same freely and voluntarily and for the uses, purposes and consideration therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Russell V. Roessler  
Notary Public in and for said County and State  
My Commission expires May 13, 1968

STATE OF OREGON, COUNTY OF KLAMATH, ss.

Filed for record at request of Klamath County Title Co.  
this 14<sup>th</sup> day of February, 1967, at 2:09 o'clock P.M., and  
duly recorded in Vol. 762, of Mortgages on Page 103f

DOROTHY ROGERS, County Clerk

By Larrie M. Gustafson