

FEDERAL FARM LOAN AMORTIZATION MORTGAGE

67-13862

KNOW ALL MEN BY THESE PRESENTS, That on this 16th day of November, 1967,

John Lynch, also known as Jack Lynch, and Mary Lynch,  
husband and wife,

hereinafter called the Mortgagors, hereby grant, bargain, sell, convey and mortgage to THE FEDERAL LAND BANK OF SPOKANE, a corporation organized and existing under the Federal Farm Loan Act as amended, with its principal place of business in the City of Spokane, County of Spokane, State of Washington, hereinafter called

the Mortgagee, the following described real estate situate in the County of Klamath, State of Oregon, to wit:

Township 40 South, Range 14 East of the Willamette Meridian  
Section 7: SE1/4 EXCEPT part in Langell Valley Market Road.  
Section 8: SE1/4  
Section 17: NW1/4, E1/2SW1/4, NW1/4SE1/4  
Section 18: E1/2NE1/4 EXCEPT any part lying within Langell Valley Market Road, FURTHER EXCEPTING the approximately 1.6 acres in the Southwest corner deeded to Lloyd M. Gift and by Deed Book 140 at page 119.

and that the Mortgagors, by these presents, do hereby covenant, warrant and agree that the above described premises are free from all liens, claims and encumbrances of every kind and description, except as herein otherwise provided, and that the Mortgagors shall defend, maintain and pay the cost of defending the same against all such claims and encumbrances, and shall execute and record such instruments as may be required to carry out the purposes of these presents.

It is further covenanted and agreed that the Mortgagors shall pay to the Mortgagee, on or before the first day of January, 1968, and annually thereafter on the same day, interest only on the principal sum of the loan, at the rate of six per cent per annum.

It is further covenanted and agreed that the Mortgagors shall pay to the Mortgagee, on or before the first day of January, 1969, and annually thereafter on the same day, the principal sum of the loan, in equal annual payments of \$2641.71, each, payable on the first day of January, 1969, and annually thereafter on the same day, until the principal sum of the loan is paid in full.

It is further covenanted and agreed that the Mortgagors shall pay to the Mortgagee, on or before the first day of January, 1970, and annually thereafter on the same day, interest only on the principal sum of the loan, at the rate of six per cent per annum.

It is further covenanted and agreed that the Mortgagors shall pay to the Mortgagee, on or before the first day of January, 1971, and annually thereafter on the same day, the principal sum of the loan, in equal annual payments of \$2641.71, each, payable on the first day of January, 1971, and annually thereafter on the same day, until the principal sum of the loan is paid in full.

It is further covenanted and agreed that the Mortgagors shall pay to the Mortgagee, on or before the first day of January, 1972, and annually thereafter on the same day, interest only on the principal sum of the loan, at the rate of six per cent per annum.

It is further covenanted and agreed that the Mortgagors shall pay to the Mortgagee, on or before the first day of January, 1973, and annually thereafter on the same day, the principal sum of the loan, in equal annual payments of \$2641.71, each, payable on the first day of January, 1973, and annually thereafter on the same day, until the principal sum of the loan is paid in full.

It is further covenanted and agreed that the Mortgagors shall pay to the Mortgagee, on or before the first day of January, 1974, and annually thereafter on the same day, interest only on the principal sum of the loan, at the rate of six per cent per annum.

It is further covenanted and agreed that the Mortgagors shall pay to the Mortgagee, on or before the first day of January, 1975, and annually thereafter on the same day, the principal sum of the loan, in equal annual payments of \$2641.71, each, payable on the first day of January, 1975, and annually thereafter on the same day, until the principal sum of the loan is paid in full.

It is further covenanted and agreed that the Mortgagors shall pay to the Mortgagee, on or before the first day of January, 1976, and annually thereafter on the same day, interest only on the principal sum of the loan, at the rate of six per cent per annum.

It is further covenanted and agreed that the Mortgagors shall pay to the Mortgagee, on or before the first day of January, 1977, and annually thereafter on the same day, the principal sum of the loan, in equal annual payments of \$2641.71, each, payable on the first day of January, 1977, and annually thereafter on the same day, until the principal sum of the loan is paid in full.

This conveyance is intended as a mortgage securing the performance of the covenants and agreements hereinafter contained, and the payment of the debt represented by one promissory note made, by the mortgagors to the order of the

mortgagor, of even date herewith, for the principal sum of

Thirty-eight Thousand Three Hundred - - - - - Dollars (\$38,300.00),

with interest thereon from date at the rate of 6% per annum on the principal sum from time to time remaining unpaid, payable to the mortgagee at its office in the City of Spokane, State of Washington, as follows:

Interest only payable on January 1, 1968, and annually thereafter to

and including 1969, Thereafter 34 equal annual payments

of \$2641.71 each, payable on the first day of January, 1969, in each year,

beginning on the first day of January, 1969, and a final payment of \$2641.71, payable on

the first day of January, 2003, unless matured sooner by extra payments on principal; each of said payments shall be applied first to interest, then to principal. All payments not made when due shall bear interest thereafter until paid at six per cent per annum.

Mortgagors covenant and agree:

That they are lawfully seized of said premises in fee simple, have good right and lawful authority to convey and mortgage the same, and that said premises are free from encumbrance; and each of the mortgagors 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 hereof, but shall run with the land;

To pay all debts and moneys secured hereby when due;

To keep the buildings and other improvements now or hereafter existing on said premises in good repair and not to remove or demolish or permit the removal or demolition of any thereof; not to cut or permit the cutting of timber from said premises except for domestic use; to maintain and cultivate the premises in a good and husbandlike manner, using approved methods of preserving the fertility thereof; to keep the orchards on said land properly irrigated, cultivated, sprayed, pruned and cared for; not to commit or suffer waste of any kind upon said premises; not to use or permit the use of said premises for any unlawful or objectionable purpose; and to do all acts and things necessary to preserve all water rights now or hereafter appurtenant to or used in connection with said premises;

To pay when due all taxes and assessments upon said premises and to deliver to the mortgagee proper receipts therefor; and to suffer no other lien or encumbrance prior to the lien of this mortgage to exist at any time against said premises;

To keep all buildings insured against loss or damage by fire in manner and form and in such company or companies and in such amount as shall be satisfactory to the mortgagee; to pay all premiums and charges on all such insurance when due; to deposit with the mortgagee all insurance policies affecting the mortgaged premises, with receipts showing payment of all premiums and charges affecting said policies; and that all insurance whatsoever affecting the mortgaged premises shall be made payable, in case of loss, to the mortgagee, with a mortgagee clause in favor of and satisfactory to the mortgagee. The mortgagee shall be entitled to receive the proceeds of any loss under any such policy, which, if not used in accordance with the regulations of the Farm Credit Administration for reconstruction of the buildings damaged or destroyed, may be applied by the mortgagee upon the indebtedness hereby secured in such manner as it shall elect.

If any of the mortgaged property shall be taken under right of eminent domain, the mortgagee shall be entitled at its option to receive all compensation for the portion taken and damages to the remaining portion, to be applied by the mortgagee upon the indebtedness hereby secured in such manner as it shall elect.

Should the mortgagors be or become in default in any of the covenants or agreements herein contained, then the mortgagee (whether electing to declare the whole indebtedness hereby secured due and payable or not) may, at its option, perform the same in whole or in part, and all expenditures made by the mortgagee in so doing shall draw interest at the rate of 6 per cent per annum, and shall be immediately repayable by the mortgagors without demand, and, together with interest and costs accruing thereon, shall be secured by this mortgage.

Time is material and of the essence hereof; and in case of breach of any of the covenants or agreements hereof, or if default be made in the payment of any of the sums hereby secured, or if the whole or any portion of said loan shall be expended for purposes other than those specified in the original application therefor except, by the written permission of said mortgagee, or if said land or any portion thereof shall be hereafter included in any special assessment district, then, in any such case, all indebtedness hereby secured, shall, at the election of the mortgagee, become immediately due without notice; and this mortgage may be foreclosed; but the failure of the mortgagee to exercise such option in any one or more instances shall not be considered as a waiver or relinquishment of the right to exercise such option upon or during the continuance of the same or any other default.

In case of any suit to foreclose this mortgage or to collect any charge growing out of the debt hereby secured, or any suit which the mortgagee may deem it necessary to prosecute or defend to effect or protect the lien hereof, the mortgagors agree to pay a reasonable sum as attorney's fees and all costs, and legal expenses in connection with said suit, and further agree to pay the reasonable costs of searching records and abstracting or insuring the title; and such sums shall be secured hereby and included in the decree of foreclosure. Upon or during the continuance of any default hereunder, the mortgagors shall have the right forthwith to enter into and upon the mortgaged premises and take possession thereof, and collect the rents, issues and profits thereof, and