

A-19045
FLB 0471

23774 VOL. Mel PAGE 5333

FEDERAL LAND BANK MORTGAGE

KNOW ALL MEN BY THESE PRESENTS, That on this 7th day
of June, 19 68,

Buford M. Kaylor and Pauline M. Kaylor, husband
and wife,

hereinafter called the Mortgagors, hereby grant, bargain, sell, convey and mortgage
to THE FEDERAL LAND BANK OF SPOKANE, a corporation in Spokane, Wash-
ington, hereinafter called the Mortgagee, the following described real estate in the
County of Klamath, State of Oregon:

PARCEL 1:

Beginning at the Southwest corner of the Northwest quarter of Section 7, Township
40 South, Range 10 East of the Willamette Meridian; thence North along the West
line of said Section, 20 rods; thence East parallel with the North line of said
Section 128 rods; thence North parallel with the West line of said Section to the
low water mark on the West bank of Lost River; thence Southeasterly along said
low water line to the center line of said Section 7; thence West along said center
line to the place of beginning, being a portion of the South half of the Northwest
quarter, a portion of Lot 1, and All of Lot 2 in Section 7, Township 40 South,
Range 10 East of the Willamette Meridian.

PARCEL 2:

Also, beginning at a point 20 rods North of the Southwest corner of the Northwest
quarter of Section 7, Township 40 South, Range 10 East of the Willamette Meridian,
thence North along the West line of said Section 16 feet; thence East and parallel
to the North line of said Section 660 feet; thence South and parallel with the
West line of said Section 16 feet; thence West 660 feet more or less to the point
of beginning.

SAVING AND EXCEPTING, parcel deeded to the State Highway Commission by Buford M.
Kaylor and Pauline M. Kaylor, husband and wife, by Deed in Volume 231 on page 449,
for road and ditch purposes. Also saving and excepting parcel deeded to the United
States of America by Edward G. Ream and Clara A. Ream, husband and wife, in Deed
Volume 24 on page 149, records of Klamath County, Oregon,

FLB
LOAN 135344

Recorded _____
at _____ o'clock
_____ Page

Auditor, Clerk or Recorder

6

5334

including all leases, permits, licenses or privileges, written or otherwise, appurtenant or nonappurtenant to said mortgaged premises, now held by mortgagors or hereafter issued, extended or renewed to them by the United States or the State or any department, bureau, or agency thereof, which have been or will be assigned or waived to mortgagee.

Together with the tenements, hereditaments, rights, privileges and appurtenances, including private roads, now or hereafter belonging to or used in connection with the above described premises; and all plumbing, lighting, heating, cooling, ventilating, elevating, watering and irrigating apparatus, stationary scales and other fixtures, now or hereafter belonging to or used in connection with the above described premises, all of which are hereby declared to be appurtenant to said land; and together with all waters and water rights of every kind and description and however evidenced, and all ditches or other conduits, rights therein and rights of way therefor, which now are or hereafter may be appurtenant to said premises or any part thereof, or used in connection therewith.

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 mortgagee, of even date herewith, for the principal sum of \$ 12,000.00, with interest thereon from date at the rate of 6 1/2 % 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, the final payment being payable on March 1, 2003, unless matured sooner by extra payments on principal; each of the payments shall be applied first to interest, then to principal. All payments not made when due shall bear interest thereafter until paid at 8 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, assessments and other charges 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 and such other risks 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 upon request 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 8 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 mortgagee 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 apply the same, less reasonable costs of collection, upon the indebtedness hereby secured, and the mortgagee shall have the right to the appointment of a receiver to collect the rents, issues and profits of the mortgaged premises. The rents, issues and profits of said premises after default are hereby assigned and mortgaged to the mortgagee as additional security for the indebtedness herein described.

7

5335

This mortgage and the note secured hereby are executed and delivered under and in accordance with the said Federal Farm Loan Act and acts amendatory thereof or supplementary thereto, and are subject to all the terms, conditions and provisions thereof, which acts are made a part hereof the same as if set out in full herein.

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

IN WITNESS WHEREOF, The mortgagors have hereunto set their hands the day and year first above written.

x *Buford M. Kaylor*
Pauline M. Kaylor

STATE OF *Ore*
 County of *Klamath* } ss.

On *June 11 1968*, before me personally appeared

Buford M. Kaylor and Pauline M. Kaylor,

to me known to be the person(s) described in and who executed the foregoing instrument, and acknowledged that (he) (she) (they) executed the same as (his) (her) (their) free act and deed.

Raymond Williams
 NOTARY PUBLIC FOR OREGON

My commission expires *Aug 13 1970*
 On _____, before me personally appeared

STATE OF OREGON, } ss.
 County of Klamath }

Filed for record at request of

Klamath County Title Co.

On this *17* day of *June* A. D. 19 *68*

at *10:26* o'clock A. M. and duly

recorded in Vol. *M 68* of Mortgages

Page *5335*

DOROTHY ROGERS, County Clerk

By *Louise H. Rogers* Deputy

Fee *4.50*

NOTARY PUBLIC