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FARM MORTGAGE

This Indenture, made this 4th day of March, 1971, between
LAWRENCE GERAGHTY, also known as LAWRENCE A. GERAGHTY, and ESTRID GERAGHTY,
also known as ESTRID A. GERAGHTY, as tenants by the entirety hereinafter
called "Mortgagor", and FIRST NATIONAL BANK OF OREGON, a national banking association, hereinafter
called "Mortgagee";

WITNESSETH:

For value received by the Mortgagor from the Mortgagee, the Mortgagor has bargained and sold and does hereby
grant, bargain, sell and convey unto the Mortgagee, all the following described property situate in

Klamath County, Oregon, to wit:

PARCEL I: The North half of Southwest quarter (N $\frac{1}{2}$ SW $\frac{1}{4}$), and the South 22.24 acres
of the Southwest quarter of Northwest quarter (SW $\frac{1}{4}$ NW $\frac{1}{4}$) of Section One (1) in Twp.
Forty-one (41) South of Range Ten (10) of the Willamette Meridian, subject to
rights of way of record for roads and ditches.

PARCEL II: Commencing at the northeast corner of the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Sec. 1, Twp. 41
South, Range 10 E.W.M., thence running south 8.88 chains, thence West to the
Section line between said Sections 1 and 2, thence North 8.88 chains to the north-
west corner of said SW $\frac{1}{4}$ NW $\frac{1}{4}$, thence east to the place of beginning, being a portion
of the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Sec. 1, Twp. 41 S., R. 10 E.W.M.

PARCEL III: The SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Sec. 6, Twp. 41 S., R. 11 E.W.M.

PARCEL IV: The SE $\frac{1}{4}$ NW $\frac{1}{4}$, the S $\frac{1}{2}$ NE $\frac{1}{4}$ and SE $\frac{1}{4}$ of Sec. 1, Twp. 41 S., R. 10 E.W.M.,
EXCEPTING THEREFROM the premises described in deed from Theron W. Jones, also
known as T. W. Jones, and Dorris B. Jones, husband and wife, to Sadie Woods,
recorded Oct. 21, 1952 in Book 257, page 304, Deed Records of Klamath Co., Ore.,
described as follows:

A tract of land situated in SE $\frac{1}{4}$ of Sec. 1, Twp. 41 S., R. 10 E.W.M., bounded as
follows: Beginning at the iron pin which marks the quarter section corner common
to Sections 1 and 12, Twp. 41 S., R. 10 E.W.M.; running thence N. 0°29' West along
the quarter line, which line is also the East boundary of Sunshine tracts a dis-
tance of 674 ft. to an iron pin; thence S. 89°51' East a distance of 193.9 ft. to
a point; thence S. 0°29' East parallel to the above mentioned quarter line a dis-
tance of 673.2 ft. to a point on the South line of said Section 1 which line is also
the center line of the Dalles California Highway; thence N. 89°57' W. along said
south section line a distance of 193.9 ft., more or less, to point of beginning.

ALSO EXCEPTING THEREFROM that portion conveyed to Great Northern Railway Company
by deed dated June 13, 1931, recorded June 13, 1931 in Book 95 at page 459, Deed
Records of Klamath County, Oregon;

ALSO EXCEPTING THEREFROM that portion conveyed to United States of America by
deed dated Oct. 9, 1908, recorded Oct. 13, 1908 in Book 25 at page 135, Deed
Records of Klamath County, Oregon.

together with the tenements, hereditaments and appurtenances including, but not exclusively, all ways, waters and
water rights, now or hereafter thereunto belonging or in anywise appertaining; also all such apparatus, equipment, and
fixtures now or hereafter situate on said premises or situate elsewhere, but used in the operation of said premises as are
ever furnished by landlords in letting properties similar to the one situated on the real property hereinabove described,
including, but not exclusively, all fixtures and personal property used or intended for use for plumbing, lighting,
heating, cooking, cooling, ventilating, cultivating or irrigating and linoleum and other floor coverings attached to floors;
also the rents, issues and profits arising from or in connection with the said real and personal property or any part
thereof.

To Have and To Hold the same unto the Mortgagee, its successors and assigns, forever.

And the Mortgagor does hereby covenant to and with the Mortgagee, that he is lawfully seized in fee simple of the
said real property, that he is the absolute owner of the said personal property, that the said real and personal property
is free from encumbrances of every kind and nature, and that he will warrant and forever defend the same against the
lawful claims and demands of all persons whomsoever.

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together with the
with the premises, a
ventilating, water and
coverings, built-in stove
replacements or on the
land, and all of the rents
to secure the payment of
\$17,950.00

I promise to pay to the
100 Dollars (\$100.00)
Oregon, at the rate of four per
percent per annum on the prin-
United States at the office of the
on or before May 1, 1971
on the premises
shall be

This conveyance is intended as a mortgage to secure performance of the covenants and agreements herein contained, to be by the Mortgagor kept and performed, and to secure the payment of the sum of \$ 65,000.00 and interest thereon in accordance with the tenor of a certain promissory note executed by

KLAMATH BASIN PAKES, INC.

dated March 4, 1971, payable to the order of the Mortgagee in installments not less than \$ 1,333.58, each, including interest, on the 15th day of each month commencing March 15, 1971, until September 15, 1971, when the balance then remaining unpaid shall be paid.

The Mortgagor does hereby covenant and agree to and with the Mortgagee, its successors and assigns:

1. That he will pay, when due, the indebtedness hereby secured, with interest, as prescribed by said note, and all taxes, liens and utility charges upon said premises or for services furnished thereto.

2. That he will not commit or permit strip or waste of the said premises or any part thereof; that he will keep the real and personal property hereinabove described in good order and repair and in tenantable condition; that he will promptly comply with any and all municipal and governmental rules and regulations with reference thereto; that if any of the said property be damaged or destroyed by any cause, he will immediately reconstruct or repair the same so that, when completed, it shall be worth not less than the value thereof at the time of such loss or damage; provided, that if such loss or damage shall be caused by a hazard against which insurance is carried, the obligation of the Mortgagor to repair or reconstruct shall not arise unless the Mortgagee shall consent to the application of insurance proceeds to the expense of such reconstruction or repair.

3. That he will, at his own cost and expense, keep the building or buildings now or hereafter upon said premises, together with all personal property covered by the lien hereof, insured against loss by fire and against loss by such other hazards as the Mortgagee may from time to time require, in one or more insurance companies satisfactory to or designated by the Mortgagee in an aggregate amount not less than the amount of the indebtedness hereby secured (unless the full insurable value of such building or buildings is less than the amount hereby secured, in which event the Mortgagor shall insure to the amount of the full insurable value); that all policies of insurance upon said premises, including policies in excess of the amount hereinabove mentioned and policies against other hazards than those required, shall contain such provisions as the Mortgagee shall require and shall provide, in such form as the Mortgagee may prescribe, that loss shall be payable to the Mortgagee; that all such policies and receipts showing full payment of premiums therefor shall be delivered to and retained by the Mortgagee during the existence of this mortgage; that at least 5 days prior to the expiration of any policy or policies he will deliver to the Mortgagee satisfactory renewals thereof together with premium receipts in full; that if any policy or policies shall impose any condition upon the liability of the insurer or shall contain any "average clause" or other provision by which the insurer may be liable for less than the full amount of the loss sustained, he will, as often as the Mortgagee may require, provide the Mortgagee with all such evidence as it may request concerning the performance of such condition or the existence of any facts or omissions of the Mortgagor or that the coverage is inadequate, the Mortgagor will do such acts and things and obtain such further insurance as the Mortgagee may require; that the Mortgagee may, at its option, require the proceeds of any insurance policies upon the said premises to be applied to the payment of the indebtedness hereby secured or to be used for the repair or reconstruction of the property damaged or destroyed.

4. That he will execute or procure such further insurance of his title to the said property as may be requested by the Mortgagee.

5. That he will use the said land only for farming, that he will maintain and cultivate the same in a good and husbandlike manner, using approved methods of preventing soil erosion thereon and of preserving the fertility of the cultivated portions thereof; that he will keep the orchards on said land properly irrigated, cultivated, sprayed, pruned and cared for; that he will not remove or demolish or permit the removal or dismantling of any building or buildings or fences or other improvements now or hereafter existing on said premises; that he will not cut or remove or permit the cutting or removal of timber from said premises, except for domestic use thereon; that he will not use or permit the use of said premises for any unlawful or objectionable purpose; that he will do all acts and things necessary to protect from pollution any and all surface waters, sewage waters, wells, springs and streams now or hereafter upon or used for irrigation or domestic purposes upon the said premises.

6. That in case the Mortgagor shall fail, neglect or refuse to do or perform any of the acts or things herein required to be done or performed, the Mortgagee may, at its option, but without any obligation on its part so to do, and without waiver of such default, procure any insurance, pay any taxes or liens or utility charges, make any repairs, or do any other of the things required, and any expenses so incurred and any sums so paid shall bear interest at 3% per annum and shall be secured hereby.

7. That he will not, without the prior written consent of Mortgagee, transfer his interest in said premises or any

together with the title to the premises, including water and sewerage, built-in stove, and all of the improvements of the land, and all of the rent

to secure the payment of

\$ 17,950.00

I promise to pay to the
100 Dollars (\$ 100)
Oregon, at the rate of four per
percent per annum on the principal
United States at the office of the
on or before May 1, 1971
on the premises
shall be paid

7. That he will not, without the prior written consent of Mortgagee, transfer his interest in said premises or any part thereof, whether or not the transferee assumes or agrees to pay the indebtedness hereby secured. Upon any application for Mortgagee's consent to such a transfer, Mortgagee may require from the transferee such information as would normally be required if the transferee were a new loan applicant. Mortgagee shall not unreasonably withhold its consent. As a condition of its consent to any transfer, Mortgagee may, in its discretion, impose a service charge not exceeding one percent of the original amount of the indebtedness hereby secured and may increase the interest rate on the indebtedness hereby secured by not more than one percent per annum.

8. That, if any default be made in the payment of the principal or interest of the indebtedness hereby secured or in the performance of any of the covenants or agreements of this mortgage, the Mortgagee may, at its option, without notice, declare the entire sum secured by this mortgage due and payable and foreclose this mortgage.

9. That, in the event of the institution of any suit or action to foreclose this mortgage, the Mortgagor will pay such sum as the trial court and any appellate court may adjudge reasonable as attorney's fees in connection therewith and such further sums as the Mortgagee shall have paid or incurred for extensions of abstracts or title searches or examination fees in connection therewith, whether or not final judgment or decree therein be entered and all such sums are secured hereby; that in any such suit, the court may, upon application of the plaintiff and without regard to the condition of the property or the adequacy of the security for this indebtedness hereby secured and without notice to the Mortgagor or any one else, appoint a receiver to take possession and care of all said mortgaged property and collect and receive any or all of the rents, issues and profits which had theretofore arisen or accrued or which may arise or accrue during the pendency of such suit; that any amount so received shall be applied toward the payment of the debt secured hereby, after first paying therefrom the charges and expenses of such receivership; but until a breach or default by the Mortgagor in one or more of his covenants or agreements herein contained, he may remain in possession of the mortgaged property and retain all rents actually paid to and received by him prior to such default.

10. The word "Mortgagor", and the language of this instrument shall, where there is more than one mortgagor, be construed as plural and be binding jointly and severally upon all mortgagors and the word "Mortgagee" shall apply to any holder of this mortgage. Masculine pronouns include feminine and neuter. All of the covenants of the Mortgagor shall be binding upon his heirs, executors, administrators, successors and assigns and inure to the benefit of the successors and assigns of the Mortgagee. In the event of any transfer of the property herein described or any part thereof or any interest therein, whether voluntary or involuntary or by operation of law, the Mortgagee may, without notice to the Mortgagor or any one else, once or often, extend the time of payment or grant renewals of indebtedness hereby secured for any term, execute releases or partial releases from the lien of this mortgage or in any other respect modify the terms hereof without thereby affecting the personal primary liability of the Mortgagor for the payment of the indebtedness hereby secured. No condition of this mortgage shall be deemed waived unless the same be expressly waived in writing by the Mortgagee. Whenever any notice, demand, or request is required by the terms hereof or by any law now in existence or hereafter enacted, such notice, demand or request shall be sufficient if personally served on one or more of the persons who shall at the time hold record title to the property herein described or if enclosed in a postpaid envelope addressed to one or more of such persons or to the Mortgagor at the last address actually furnished to the Mortgagee or at the mortgaged premises and deposited in any post office, station or letter box.

In Witness Whereof, the Mortgagor s. have hereunto set their hand s. and seal s. the day and year first hereinabove written.

Lawrence A. Geraghty (SEAL)

(SEAL)

(SEAL)

(SEAL)

STATE OF OREGON

County of KLAMATH } ss.

March 4 A. D. 19 71

Personally appeared the above-named

LAWRENCE A. GERAGHTY

and acknowledged the foregoing instrument to be his voluntary act and deed. Before me:



Marion P. [Signature]
Notary Public for Oregon.

My Commission Expires: Sept. 23, 1974

STATE OF OREGON, COUNTY OF KLAMATH; ss.

Filed for record at request of Transamerica Title Ins. Co.

this 16th day of March A. D. 19 71 at 4:03 o'clock PM. and duly recorded in
Vol. M71 of Mtgs. 45 on Page 2257

Fee \$ 4.50

WM. D. MILNE, County Clerk
By [Signature]

together with the
with the premises,
ventilating water and
coverings, built-in
replaced in or on the
land, and all of the
to secure the payment of
\$17,950.00

100 I promise to pay to the
Oregon, at the rate of four
percent per annum on the principal
on or before May 1
of the premises
shall be