FLB 666 Rev. (12-67) 51034 28-3851

Vol. M71 Page 3683

FEDERAL LAND BANK MORTGAGE

FLB LOAN 143665

Recorded ______________
at ______________ o'clock
______________, Page ______
Auditor, Clerk or Recorder

KNOW ALL MEN BY THESE PRESENTS, That on this 22nd day of April, 19 71,

APR 27 11 03 AM 1971

Fred A. Peters and Dawn B. Peters, 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, Washington, hereinafter called the Mortgagee, the following described real estate in the County of Klamath, State of Oregon:

The description of the real property covered by this mortgage consists of one page marked Exhibit "A" which is attached hereto and is by reference made a part hereof.

(5) Page 1 of 1 EXHIBIT "A" 143665

The following described real property in Klamath County, Oregon:

N½S½NE¼ of Section 1, Township 40 South, Range 9 East of the Willamette Meridian, saving and excepting therefrom the following:

A piece or parcel of the E½N½S½NE¼ of Section 1, Township 40 South, Range 9 East of the Willamette Meridian, described as follows:

Beginning at a point in the Section line marking the Easterly boundary of the said Section 1, 1151.8 feet Northerly from the quarter section corner of the said Easterly boundary of said Section 1; thence Westerly parallel with the East and West center line of said Section 1, 307 feet, more or less, to a point in the center of an irrigation ditch; thence Northerly along said ditch 148.2 feet, more or less, to a point in the Southerly boundary of the right of way of the U. S. Bureau of Reclamation lateral canal; thence Easterly along the said right of way boundary, 307 feet, more or less, to a point in said section line, marking the Easterly boundary of said Section 1; thence South along the said section line 148.2 feet, more or less, to the said point of beginning.

ALSO SAVING AND EXCEPTING a piece or parcel of the N½SE¼NE¼ of Section 1, Township 40 South, Range 9 East of the Willamette Meridian, and more particularly described as follows:

Beginning at a point in the section line marking the Easterly boundary of the said Section 1, Township 40 South, Range 9 East of the Willamette Meridian 865.0 feet Northerly from the quarter section corner on the said Easterly boundary of the said Section 1 and running thence South 89° 55' West 179 feet, more or less, to a point, thence North 1° 32' West 68.3 feet to a point; thence North 87° 25' East to a point on the section line marking the Easterly boundary of said Section 1; thence Southerly along the said section line to the point of beginning.

18 Initials: FAP DBP

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 $ 20,000.00, with interest as provided for in said note, being payable in instalments, the last of which being due and payable on the first day of January, 1991. All payments not made when due shall bear interest thereafter until paid at 10 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 demolishment 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 10 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.

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This mortgage and the note secured hereby are executed and delivered under and in accordance with the Farm Loan Act and acts amendatory thereof or supplementary thereto, and are subject to all the terms, co 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, tors, successors and assigns of the respective parties hereto.

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

Fred A. Peters

Dawn B. Peters

STATE OF Oregon
County of Klamath } ss.

On 4/26/1971, before me personally a

Fred A. Peters and Dawn B. Peters

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

Ruth E. Robertson
NOTARY PUBLIC
My Commission Expires 4/1/1974

STATE OF
County of } ss.

On, before me personally ap

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of TRANSAMERICA TITLE INSURANCE CO

this 27th day of APRIL A. D. 1971 at 11:08 o'clock A M., and duly recorded

Vol. M 71 of MORTGAGES on Page 3683

FEE $4.50

WM. D. MILNE, County Clerk

By Hazel Drazil

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.

Fred A. Peters

Dawn B. Peters

STATE OF Oregon
County of Klamath } ss.

On 4/26/1971, before me personally appeared Fred A. Peters and Dawn B. Peters

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.

Ruth E. Robertson
NOTARY PUBLIC

My Commission Expires 4/1/1974

STATE OF ______
County of ______ } ss.

On ______, before me personally appeared

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of TRANSAMERICA TITLE INSURANCE CO

this 27th day of APRIL A.D. 19 71 at 11:06 o'clock A M., and duly recorded in Vol. M 71 of MORTGAGES on Page 3683

WM. D. MILNE, County Clerk

By Hazel Drazil

FEE $4.50