

FEDERAL LAND BANK MORTGAGE

KNOW ALL MEN BY THESE PRESENTS, That on this 11th day
of September, 1972,

Roy Whitlatch and Margaret Whitlatch, 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:

The description of the real property covered by this mortgage consists of two pages
marked EXHIBIT "A" which are attached hereto and are by reference made a part hereof.

EXHIBIT "A"

Page 1 of 2

Parcel 1:

A portion of the West half of Section 17 and the East half
East half of Section 18, Township 39 South, Range 11 East of the
Willamette Meridian, situate in Klamath County, Oregon, and more
particularly described as follows:

Beginning at the section corner common to Sections 17, 18, 19
and 20, Township 39 South, Range 11 East of the Willamette
Meridian, and running thence Westerly along the Section line
marking the Southerly boundary of the said Section 18, 1320 feet,
more or less, to a point in the center line of the county road
along the Westerly boundary of the said E 1/2 E 1/2 of the said
Section 18; thence North along the said center line of the said
county road 5027.5 feet, more or less, to the center line of the
Buck Creek Channel as the same is now located and constructed;
thence following the said center line of the Buck Creek Channel
as the same is now located and constructed North 89° 31' East
116.9 feet; thence South 57° 29' East 2632.0 feet; thence South
58° 16' East 1000 feet; more or less, to a point in the center line
of the present channel of Buck Creek; thence following the said
center line of the present channel of Buck Creek Southeasterly 650
feet, more or less, to its intersection with the Northwesternly or
right bank of Lost River; thence following said Northwesternly or
right bank of Lost River Southwesterly or downstream 3650 feet,
more or less, to its intersection with the center line marking the
Southerly boundary of said Section 17; thence Westerly along the
said Southerly line 200 feet, more or less, to the said point of
beginning.

Parcel 2:

All those portions of the S 1/2 SE 1/4 of Section 7 and the
NE 1/4 and N 1/2 SE 1/4 of Section 18, Township 39 South,
Range 11 East of the Willamette Meridian, which lie Southerly
from the center line of a county road which follows along near
the Northerly boundary of the said Section 18, and Westerly from
the center line of a county road which follows along near the
North and South center line of the E 1/2 of the said Section 18,
Township 39 South, Range 11 East of the Willamette Meridian, and
Northerly from the center line of the Hankins Drain, situate in
Klamath County, Oregon, and more particularly described as follows:

Initials: RW mw

EXHIBIT "A"

Page 2 of 2

Beginning at the point of intersection of the center lines of the forementioned county roads from which the section corner common to Sections 7, 8, 17 and 18, Township 39 South, Range 11 East of the Willamette Meridian, bears North 89° 54' East 1215.6 feet distant, and running thence South 1° 23' West along the center line of the forementioned county roads which follows along near the North and South center line of the E 1/2 of Section 18, Township 39 South, Range 11 East of the Willamette Meridian, as the same is now located and constructed 3892.2 feet, more or less, to a point in the center line of the Hankins Drain, as the same is now located and constructed; thence North 66° 41' West along said drain center line 1356.0 feet; thence North 45° 17' West 120 feet, more or less to a point in the line marking the Westerly boundary of the E 1/2 of said Section 18; thence Northerly along the said line marking the Westerly boundary of the E 1/2 of said Section 18 and the line marking the Westerly boundary of the S 1/2 SE 1/4 of Section 7, Township 39 South, Range 11 East of the Willamette Meridian, 3260 feet, more or less, to a point in the center line of the forementioned county road which follows along near the Northerly boundary of said Section 18; thence North 89° 54' East along the center line of the said county road, which follows along near the Northerly boundary of the said Section 18 as same is now located and constructed 1424 feet, more or less, to the said point of beginning.

Together with a 15 H.P. General Electric motor, Serial No. F 166900 and a Fairbanks Morse ditch pump, Serial No. PR 1949; or any replacements thereof, which are hereby declared appurtenant thereto.

Initials: RPJ MLW

10451

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 \$ 120,000.00, 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 May, 1997. 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 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 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.

This mortgage and the note secured hereby are executed and delivered under and in accordance with the Act of 1971 and any acts amendatory or supplementary thereto and the regulations of the Farm Credit Administration to all the terms, conditions and provisions thereof, which 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, successors and assigns of the respective parties hereto.

Should the interest of any of the parties to this mortgage be transferred by instrument of conveyance, or by operation of law, without the written consent of the mortgagee, then the mortgagee at its option may declare the entire indebtedness secured hereby forthwith due and payable. All sums remaining unpaid shall bear interest at the rate of 10% per annum from the date of such declaration.

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

STATE OF Oregon }
County of Klamath } ss.

On September 15, 1972, before me person

Roy Whitlatch and Margaret Whitlatch,

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 Oregon }

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of TRANSAMERICA TITLE INS. CO.

this 15th day of September A. D., 1972, at 11:48 o'clock AM., and duly recorded

Vol. M 72 of MORTGAGES on Page 10450

FEE \$8.00

WM. D. MILNE, County Clerk
By Kay D. Drazil

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appurtenant or nonappurtenant to said mortgaged
to them by the United States or the State or any
or waived to mortgagee.

appurtenances, including private roads, now or here-
and all plumbing, lighting, heating, cooling, venti-
ther fixtures, now or hereafter belonging to or used
clared to be appurtenant to said land; and together
evidenced, and all ditches or other conduits, rights
appurtenant to said premises or any part thereof, or

of the covenants and agreements hereinafter con-
ide by the mortgagors to the order of the mortgagee,
with interest as provided for in said note,
the first day of May, 1977
at 10 per cent per annum.

good right and lawful authority to convey and
and each of the mortgagors will warrant and
persons whomsoever, and this covenant shall
and;

isting on said premises in good repair and not to
not to cut or permit the cutting of timber from
mises in a good and husbandlike manner, using
rds on said land properly irrigated, cultivated,
nd upon said premises; not to use or permit the
all acts and things necessary to preserve all water
ises;

premises and to deliver to the mortgagee proper
en of this mortgage to exist at any time against

other risks in manner and form and in such com-
agee; to pay all premiums and charges on all such
rance policies affecting the mortgaged premises,
olicies; and that all insurance whatsoever affect-
r mortgagee, with a mortgagee clause in favor of and
he proceeds of any loss under any such policy,
administration for reconstruction of the buildings
ess hereby secured in such manner as it shall elect.

ent domain, the mortgagee shall be entitled at
to the remaining portion, to be applied by the
all elect.

ants or agreements herein contained, then the
ured due and payable or not) may, at its option,
mortgagee in so doing shall draw interest at the
mortgagors without demand, and, together with

any of the covenants or agreements hereof, or
the whole or any portion of said loan shall be
n therefor except, by the written permission of
luded in any special assessment district, then, in
e mortgagee, become immediately due without
ee to exercise such option in any one or more
nt to exercise such option upon or during the

growing out of the debt hereby secured, or any
effect or protect the lien hereof, the mortgagors
es in connection with said suit, and further agree
the title, and such sums shall be secured hereby

rtgagee shall have the right forthwith to enter
ect the rents, issues and profits thereof, and apply
secured, and the mortgagee shall have the right
ne mortgaged premises. The rents, issues and
o the mortgagee as additional security for the

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This mortgage and the note secured hereby are executed and delivered under and in accordance with the Farm Credit Act
of 1971 and any acts amendatory or supplementary thereto and the regulations of the Farm Credit Administration, and are subject
to all the terms, conditions and provisions thereof, which 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.

Should the interest of any of the parties to this mortgage be transferred by voluntary
instrument of conveyance, or by operation of law, without the written consent of the
Mortgagee, then the Mortgagee at its option may declare the entire indebtedness
secured hereby forthwith due and payable. All sums remaining unpaid shall bear
interest at the rate of 10% per annum from the date of such declaration.

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

STATE OF Oregon }
County of Klamath } ss.

On September 15, 1972, before me personally appeared

Roy Whitlatch and Margaret Whitlatch,

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.

NOTARY PUBLIC

My Commission Expires 4/1/1974

STATE OF

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of TRANSAMERICA TITLE INS. CO
this 15th day of September A. D., 1972 at 11:48 o'clock A.M., and duly recorded in
Vol. M 72 of MORTGAGES on Page 10450

FEE \$8.00

WM. D. MILNE, County Clerk

By Razul Drasil