

FLB 666 (Rev. 2-73)

77764

# FEDERAL LAND BANK MORTGAGE

KNOW ALL MEN BY THESE PRESENTS, That on this 31st day  
of May, 1973,

Carson P. Merkley and Elizabeth M. Merkley,  
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  
Exhib-t "A" which are attached hereto and are by reference made a part hereof.

Page 1 of 2

EXHIBIT "A"

Township 36 South, Range 14 East of the Willamette Meridian:

PARCEL 1:

Section 19: N $\frac{1}{2}$ S $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{4}$   
N $\frac{1}{2}$ S $\frac{1}{2}$ W $\frac{1}{2}$ SW $\frac{1}{4}$   
S $\frac{1}{2}$ N $\frac{1}{2}$ E $\frac{1}{2}$ SE $\frac{1}{4}$   
N $\frac{1}{2}$ N $\frac{1}{2}$ W $\frac{1}{2}$ SW $\frac{1}{4}$   
S $\frac{1}{2}$ S $\frac{1}{2}$ W $\frac{1}{2}$ SW $\frac{1}{4}$   
S $\frac{1}{2}$ S $\frac{1}{2}$ E $\frac{1}{2}$ SW $\frac{1}{4}$   
S $\frac{1}{2}$ S $\frac{1}{2}$ NE $\frac{1}{2}$ SE $\frac{1}{4}$   
N $\frac{1}{2}$ N $\frac{1}{2}$ SE $\frac{1}{2}$ SE $\frac{1}{4}$   
S $\frac{1}{2}$ S $\frac{1}{2}$ SE $\frac{1}{2}$ SE $\frac{1}{4}$   
S $\frac{1}{2}$ S $\frac{1}{2}$ N $\frac{1}{2}$ W $\frac{1}{2}$ SW $\frac{1}{4}$   
N $\frac{1}{2}$ N $\frac{1}{2}$ SE $\frac{1}{2}$ S $\frac{1}{2}$ W $\frac{1}{2}$   
N $\frac{1}{2}$ N $\frac{1}{2}$ SW $\frac{1}{2}$ SW $\frac{1}{4}$

7503

Section 28: E $\frac{1}{2}$ , EXCEPTING: Beginning at the Northeast corner of Section  
28; thence West on the North line of said Section 28, 160  
rods to the northwest corner of the Northeast quarter of  
Section 28; thence South on the West line of said Northeast  
quarter of Section 28, 120 feet; thence in a Northeasterly  
direction in a straight line to a point on the East line of  
said Section 28, 86 feet South of the place of beginning;  
thence North on the East line of said Section 28 to the  
place of beginning.

AND, the W $\frac{1}{2}$  of said Section being that portion  
described as follows: Beginning at an iron pipe set in the  
old fence corner at the South quarter-section corner of said  
Section 28; thence North 1° 32' 3/4" East along the existing  
North-South fence 300.2 feet to the Southerly right-of-way  
boundary of State Highway No. 66 as the same is presently  
located and constructed; thence North 65° 22' West along  
said Southerly right-of-way boundary 1309.4 feet to an iron  
pin; thence South 1° 32' 3/4" West 1319.9 feet to the old  
existing fence on the Southerly boundary of said Section  
28; thence South 83° 45' 1/4" East 1204.5 feet, more or less,  
to the point of beginning.

Section 30: W $\frac{1}{2}$ NE $\frac{1}{4}$   
E $\frac{1}{2}$ NW $\frac{1}{4}$

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EXHIBIT "A"

Township 36 South, Range 14 East of the Willamette Meridian:

PARCEL 1:

Section 19: N1/2SW1/4SE1/4  
N1/2SW1/4SW1/4  
S1/2SE1/4SE1/4  
N1/2SW1/4SW1/4  
S1/2SW1/4SW1/4  
S1/2SE1/4SW1/4  
S1/2SE1/4SE1/4  
N1/2SE1/4SE1/4  
S1/2SE1/4SE1/4  
S1/2SW1/4SW1/4  
N1/2SE1/4SW1/4  
N1/2SW1/4SW1/4

7503

Section 28: E1/2, EXCEPTING: Beginning at the Northeast corner of Section  
28; thence West on the North line of said Section 28, 160  
rods to the northwest corner of the Northeast quarter of  
Section 28; thence South on the West line of said Northeast  
quarter of Section 28, 120 feet; thence in a Northeasterly  
direction in a straight line to a point on the East line of  
said Section 28, 86 feet South of the place of beginning;  
thence North on the East line of said Section 28 to the  
place of beginning.

AND, the W1/2 of said Section being that portion  
described as follows: Beginning at an iron pipe set in the  
old fence corner at the South quarter-section corner of said  
Section 28; thence North 1° 32' 3/4" East along the existing  
North-South fence 300.2 feet to the Southerly right-of-way  
boundary of State Highway No. 66 as the same is presently  
located and constructed; thence North 63° 22' West along  
said Southerly right-of-way boundary 1309.4 feet to an iron  
pin; thence South 1° 32' 3/4" West 1319.9 feet to the old  
existing fence on the Southerly boundary of said Section  
28; thence South 33° 45' 1/4" East 1204.5 feet, more or less,  
to the point of beginning.

Section 30: W1/2NE1/4  
E1/2NE1/4  
Lots 1 and 2  
NE1/4SW1/4  
Lot 3  
NW1/4SE1/4

Initials CPM EMM



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PARCEL 2:

Section 28: W $\frac{1}{2}$  less that portion of the NW $\frac{1}{4}$  lying Northerly of Sprague River and Northwesterly of the LK Canal, and that portion lying between the O. C. & E. Railroad and the Lakeview and Klamath Highway. Also saving and excepting that portion described as follows: Beginning at a point where the Southerly right of way of the Klamath Falls-Lakeview Highway intersects the Westerly line of Section 28; thence South along said Section line 900 feet to a point; thence East 660 feet to a point; thence North 330 feet to a point; thence East to a point on the Southerly right-of-way of Klamath Falls-Lakeview Highway; thence Northwesterly along said highway to a point of beginning. ALSO SAVING AND EXCEPTING THEREFROM that portion described as follows: Beginning at an iron pipe set in the old fence corner at the South quarter-section corner of said Section 28; thence North 1 $^{\circ}$  32' 3/4" East along the existing North-South fence 800.2 feet to the Southerly right-of-way boundary of State Highway No. 66 as the same is presently located and constructed; thence North 65 $^{\circ}$  22' West along said Southerly right-of-way boundary 1309.4 feet to an iron pin; thence South 1 $^{\circ}$  32' 3/4" West 1319.9 feet to the old existing fence on the Southerly boundary of said Section 28; thence South 83 $^{\circ}$  45' 1/4" East 1204.5 feet, more or less, to the point of beginning.

Section 29: All lying Southerly of the Klamath Falls-Lakeview Highway, less the following: NW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ ; N $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ ; NW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ ; N $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ ; SE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ ; S $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ ; and that portion of the S $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$  lying Southerly of the Klamath Falls-Lakeview Highway.

Section 32: NE $\frac{1}{4}$ NE $\frac{1}{4}$

PARCEL 3:

Section 29: N $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ ; S $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ ; S $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$  lying Southerly of Klamath Falls-Sprague River Highway.

EXCEPT FROM THE ABOVE any portion lying within the right of way for the O. C. & E. Railroad and the Klamath Falls-Lakeview Highway.

Together with 40 HP Fairbanks Morse motor, Serial No. 313959 with Layne & Bowler turbine pump, Serial No. 2579, and 100 HP G. E. motor, Serial No. C05306150 with Johnston turbine pump, Serial No. 4002; or any replacements thereof; which are hereby declared appurtenant thereto.

Initials *CPM EMT*

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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 \$ 100,000.00, with interest as provided for in said note, being payable in installments, the last of which being due and payable on the first day of January, 2008. 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 keep the buildings and other improvements now or hereafter existing on said premises in good repair; to complete any building, structure or improvement being built or about to be built thereon, including improvements to any existing structures; not to remove or demolish or permit the removal or demolition of buildings and other improvements now or hereafter existing on said premises; to restore promptly and in a good and workmanlike manner any building, structure or improvement thereon which may be damaged or destroyed; 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 or things necessary to preserve all water rights now or hereafter appurtenant to or used in connection with said premises.

To pay before delinquency all taxes, assessments and other charges upon said premises, including assessments upon water company stock, and all rents, assessments and charges for water appurtenant to or used in connection with said land, and to deliver to the mortgagee proper receipts therefor; and to suffer no other encumbrance, charge or lien 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 amounts 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 may be applied by the mortgagee upon the indebtedness hereby secured in such manner as it may 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 into and upon the mortgaged premises and take possession thereof, and collect the rents, issues and profits the same, less reasonable costs of collection, upon the indebtedness hereby secured, and the mortgagee to the appointment of a receiver to collect the rents, issues and profits of the mortgaged premises. The profits of said premises after default are hereby assigned and mortgaged to the mortgagee as additional indebtedness herein described.

This mortgage and the note secured hereby are executed and delivered under and in accordance with 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 here.

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

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

STATE OF Oregon }  
County of Klamath } ss.

On June 1, 1973, before me

Carson P. Merkley and Elizabeth M. Merkley,

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

NOTARY PUBLIC

My Commission Expires October

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Klamath County Title

this 15 day of June A. D., 1973 at 2:53 o'clock p.M., and duly  
Vol. M-73 of Mortgages on Page 7502

By WM. D. MILNE, County Clerk

Klamath Falls, Oregon  
97601



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tenant or nonappurtenant to said mortgaged premises by the United States or the State or any other authority, or waived to mortgagee.

premises, including private roads, now or hereafter, and all plumbing, lighting, heating, cooling, ventilation, fixtures, now or hereafter belonging to or used in connection with said land; and together with all other improvements, and all ditches or other conduits, rights appurtenant to said premises or any part thereof, or otherwise in connection with said premises.

the covenants and agreements hereinafter contained by the mortgagors to the order of the mortgagee, with interest as provided for in said note, first day of January, 2008 at the rate of 10 per cent per annum.

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

maintaining on said premises in good repair and not to cut or permit the cutting of timber from said premises in a good and husbandlike manner, using proper methods on said land properly irrigated, cultivated, and upon said premises; not to use or permit the use of said premises for any purpose other than the uses and purposes hereinbefore set forth, and to preserve all water rights now or hereafter appurtenant to said premises;

maintaining on said premises in good repair; to complete thereon, including improvements to any existing buildings and other improvements now or hereafter made in a workmanlike manner any building, structure or improvement on said land properly irrigated, cultivated, and upon said premises; not to use or permit the use of said premises for any purpose other than the uses and purposes hereinbefore set forth, and to preserve all water rights now or hereafter appurtenant to said premises;

on said premises, including assessments upon water rights, and to use in connection with said land, and to discharge all taxes, charges or lien prior to the lien of this mortgage.

other risks in manner and form and in such contract as may be made by the mortgagee; to pay all premiums and charges on all insurance policies affecting the mortgaged premises, and that all insurance whatsoever affecting the mortgaged premises, with a mortgagee clause in favor of and for the benefit of the mortgagee, and the proceeds of any loss under any such policy shall be paid in such manner as it may elect.

in the event the mortgagee shall be entitled at any time to the remaining portion, to be applied by the mortgagee as it may elect.

covenants or agreements herein contained, then the mortgagee shall be entitled to, at its option, to foreclose the mortgage in so doing shall draw interest at the rate of 10 per cent per annum, together with

of any of the covenants or agreements hereof, or if the whole or any portion of said loan shall be paid therefor except, by the written permission of the mortgagee, become immediately due without the mortgagee to exercise such option in any one or more of the following events, to wit: (a) if the mortgagee shall exercise such option upon or during the term of the mortgage;

large growing out of the debt hereby secured, or any other debt or obligation of the mortgagors, or to effect or protect the lien hereof, the mortgagors shall be obligated to pay, in connection with said suit, and further agree to pay the costs of said suit, and such sums shall be secured hereby

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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 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.

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

STATE OF Oregon } ss.  
County of Klamath }

Carson P. Merkley and Elizabeth M. Merkley,  
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.

On June 1, 1973, before me personally appeared

NOTARY PUBLIC

My Commission Expires October 30, 1976

STATE OF OREGON; COUNTY OF KLAMATH; ss. Klamath County Title

Filed for record at request of \_\_\_\_\_  
this 15 day of June A. D., 1973 at 2:53 o'clock p. M., and duly recorded in  
Vol. M-73, of Mortgages on Page 7502

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

Klamath Falls, Oregon  
97601

JUL 16 2 14 PM '73