A-24757

FLB 666 (Rev. 12-73) 32125 Vol. M74 Page 10089

FEDERAL LAND BANK MORTGAGE

FLB LOAN 156924-3

Recorded _____ at _____ o'clock _____, Page _____

Auditor, Clerk or Recorder

KNOW ALL MEN BY THESE PRESENTS, That on this 31st day of July, 1974,

D & B Wagner Farms Co., an Oregon Corporation; Donald E. Wagner and Betty A. Wagner, husband and wife,

AUG 19 4 11 PM 1974

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.

EXHIBIT "A" 156924-3

The NE¼NE¼ of Section 36, Township 38 South, Range 10 East of the Willamette Meridian.

EXCEPTING THEREFROM the following described property: Beginning at a point which is the SW corner of the NE¼NE¼, running thence due east along the quarter section line between the NE¼NE¼ and the SE¼NE¼ 815 feet to a point, thence N. 31°47'22" W. 1,247.08 feet, thence due South along the quarter section line between the NE¼NE¼ and the NW¼NE¼ 1315 feet to the point of beginning, all being in the NE¼NE¼ of Section 36, Township 38 South, Range 10 East of the Willamette Meridian.

The SW¼ of Section 25, Township 38 South, Range 11 East of the Willamette Meridian, and that part of the NE¼SE¼ of Section 25, Township 38 South, Range 11 East of the Willamette Meridian, lying South of the Oregon, California and Eastern Railway right of way.

That portion of the SW¼NE¼ of Section 31, Township 38 South, Range 11½ East of the Willamette Meridian, which lies southerly of the South line of the Klamath Falls-Lakeview Highway as presently established.

Government Lots 2 and 4, EXCEPT that portion of Lot 2 conveyed to California Oregon Power Company by deed recorded March 21, 1952, in Deed Volume 253 page 536, in Section 31, Township 38 South, Range 11½ East of the Willamette Meridian.

The SE¼NW¼ of Section 31, Township 38 South, Range 11½ East of the Willamette Meridian, EXCEPTING therefrom that portion lying north of the Klamath Falls-Lakeview Highway.

Together with a 50 H.P. U. S. motor, Serial No. 267058, and a Portland turbine pump, serial no. [illegible] and any replacements thereof, all of which are hereby declared to be appurtenant thereto.

Initials: [illegible]

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 $ 30,500.00, 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 December, 2009. 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; 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 demolishment 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 or water [illegible] appurtenant to or used in connection with said premises.

To pay before delinquency all taxes, assessments and other charges upon said premises, including assessments from water [illegible] taxes, 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 now or hereafter [illegible] 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 [illegible] and, if requested, to deposit with the mortgagee upon request all insurance policies affecting the mortgaged premises, with receipts showing payment of all premiums and charges [illegible] premises shall be made payable, in case of loss, to the mortgagee with a mortgagee clause in form 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 property 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 bear interest at the rate of 10 per cent per annum, and shall be immediately repayable by the mortgagors [illegible] and to the security thereon, shall be secured by this mortgage.

This is a general lien on the [illegible] and assessments 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 [illegible] 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 [illegible] failure of the mortgagee to exercise such option in any case [illegible] 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 [illegible] the mortgagee may deem it necessary to prosecute or defend or effect or protect the lien hereof, the mortgagors agree to pay a reasonable sum as [illegible] and all expenses in connection with said suit, and further agree to pay the reasonable costs of searching records and obtaining or showing 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 [illegible] collect the rents, issues and profits of the mortgaged premises [illegible] and profits of said premises after default are hereby assigned and mortgaged to the mortgagee [illegible] for the indebtedness herein mentioned.

This mortgage and the note secured hereby are executed and delivered under and in accordance with the Farm [illegible] 1971 and any acts amendatory or supplementary thereto and the regulations of the Farm Credit Administration, and a[illegible] 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, [illegible] successors and assigns of the respective parties hereto.

It is agreed that this mortgage, without affecting its validity as a real est[illegible] is also executed and shall be construed as a Security Agreement and as a Fixt[illegible] under the Oregon Uniform Commercial Code, granting to Mortgagee security inter[illegible] personal property collateral described herein and in the goods described here[illegible] fixtures or are to become fixtures. In addition to the rights and remedies pr[illegible] herein, Mortgagee shall have all the rights and remedies granted by such Code; [illegible] notice, when notice is requested, shallbe five (5) days.

For the purpose of a Fixtures Financing Statement, the debtor is the Mortgagor [illegible] party is the mortgagee, the address of the secured party from which informatio[illegible] the security interest may be obtained is P.O. Box 148, Klamath Falls, Oregon, [illegible] the mailing address of the debtor is Dairy Star Route 1, Dairy, Oregon, 97625.

This mortgage secures an obligation incurred in whole or in part for the const[illegible] improvement on said land.

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

Donald E. Wagner

Betty A. Wagner

[illegible] WAGNER FARMS INC.

By: [illegible]

Attest: [illegible]

STATE OF Oregon
County of Klamath

On August 13, 1974 before me personally appeared Donald E. Wagner and Betty A. Wagner

to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

[illegible]
NOTARY PUBLIC

COUNTY OF [illegible]
STATE OF Oregon

My Commission Expires October 10, [illegible]

This 13th day of August, A. D. 19 74, before me, a Notary Public in and for the above named County and State, personally appeared Donald E. Wagner and Betty A. Wagner to me known to be the President and Secretary respectively of the corporation that executed the within and foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

[illegible]
Notary Public

Residing at Klamath Falls, Oregon

appurtenant or nonappurtenant to said mortgaged premises, hem by the United States or the State or any department, mortgagee.

appurtenances, including private roads, now or hereafter and all plumbing, lighting, heating, cooling, ventilating, ixtures, now or hereafter belonging to or used in connection e appurtenant to said land; and together with all waters and ll ditches or other conduits, rights therein and rights of way or any part thereof, or used in connection therewith.

of the covenants and agreements hereinafter contained, and he mortgagors to the order of the mortgagee, of even date th interest as provided for in said note, being payable in December, 2009 . All payments er annum.

ood right and lawful authority to convey and mortgage the mortgagors will warrant and defend the same forever against nt shall not be extinguished by any foreclosure hereof, but

existing on said premises in good repair; to complete any n, including improvements to any existing structures; not to and other improvements now or hereafter existing on said y building, structure or improvement thereon which may be said premises except for domestic use; to maintain and d methods of preserving the fertility thereof; to keep the ed for, not to commit or suffer waste of any kind upon said objectionable purpose; and to do all acts or things necessary ection with said premises.

es upon said premises, including assessments upon water

, charge or lien prior to the lien of this mortgage to exist at

other of these covenants and form and in such company or to pay all premiums and charges on all such insurance when

insured premises, with receipts showing insurance whatsoever offered the mortgagee shall clause in favor of and satisfactory to the mortgagee. The ch policy which may be applied by the mortgagee upon the

nt domain, the mortgagee shall be entitled at its option to

payable or not) may, at its option, perform the same or shall draw interest at the rate of 10 per cent per annum, and

any portion of said loan shall be repaid for purposes written permission of said mortgagee, or if said loan or secured, then, in any such case, all indebtedness hereby both debt or, and this mortgage, shall be forthwith due and shall not be considered as a waiver or relinquishment of of any other default.

of the debt hereby secured, or any suit which the mortgagee agrees to pay a upon with said suit, and further agrees to pay the reasonable shall be secured hereby and included in the decree

shall have the right forthwith to enter into and upon the and profits thereof, and apply the same, less reasonable or and profits of said premises after default or default hereinbefore 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.

It is agreed that this mortgage, without affecting its validity as a real estate mortgage, is also executed and shall be construed as a Security Agreement and as a Fixtures Statement under the Oregon Uniform Commercial Code, granting to Mortgagee security interest in the personal property collateral described herein and in the goods described herein which are fixtures or are to become fixtures. In addition to the rights and remedies provided herein, Mortgagee shall have all the rights and remedies granted by such Code; and reasonable notice, when notice is requested, shall be five (5) days.

For the purpose of a Fixtures Financing Statement, the debtor is the Mortgagor, the secured party is the Mortgagee, the address of the secured party from which information concerning the security interest may be obtained is P.O. Box 148, Klamath Falls, Oregon, 97601; and the mailing address of the debtor is Dairy Star Route 1, Dairy, Oregon, 97625.

This mortgage secures an obligation incurred in whole or in part for the construction of an improvement on said land.

IN WITNESS WHEREOF, The [illegible]

Donald E. Wagner

President

Betty A. Wagner

Attest: [illegible] Secretary

STATE OF Oregon

County of Klamath

On August 13, 1974 [illegible]

Donald E. Wagner and Betty A. Wagner

[illegible]

Executed the same as their free act and deed.

[illegible] Klamath

ss.

STATE OF Oregon

Notary Public

My commission expires [illegible]

On this [illegible] day of August A. D. 19 74, before me, a Notary Public in and for the above named County and State, personally appeared Donald E. Wagner

and Betty A. Wagner to me known to be the President and Secretary respectively of the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary corporate act and deed of said corporation, for the uses and purposes therein mentioned, and each on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public for the State of Oregon

Residing at Klamath Falls, Oregon.

10092

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Klamath County Title

this 19 day of August A. D., 19 74 at 4:44 o'clock P.M., and duly recorded in

Vol. M-74, of Mortgages on Page 10069

8.00

WM. D. MILNE, County Clerk

By [signature] Deputy