

A-25054

OCT 10 3 11 PM 1974

FLB 666 (Rev. 12-73)

93802

FEDERAL LAND BANK MORTGAGE

KNOW ALL MEN BY THESE PRESENTS, That on this 1st day
of October, 1974.

As entities and for Henley Farms Joint Venture: L. A. Swetland,
M. D., P. C., Pension and Profit Sharing Trust; R. H. Otteman,
M. D., P. C., Pension and Profit Sharing Trust; Ore-Cal General Wholesale,
Inc., an Oregon Corporation. Individually and for Henley Farms
Joint Venture: Garret D. Hilyard and Betty Jean Hilyard, husband
and wife. Individually: Harry R. Waggoner and Norma E. Waggoner,
husband and wife; R. H. Otteman and Mary W. Otteman, husband and
wife; L. A. Swetland and Cheryl J. Swetland, husband and wife,

vol. 774 Page 13292

FLB
LOAN 157573-5Recorded _____
at _____ o'clock _____
Page _____

Auditor, Clerk or Recorder

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 three pages
marked EXHIBIT "A" which are attached hereto and are by reference made a part hereof.

Page 1 of 3

EXHIBIT "A"

157573-5

PARCEL 1:

A tract of land situated in Section 13, Township 39 South, Range 9
East of the Willamette Meridian; more particularly described as follows:

Beginning at the Northeast corner of said Section 13, thence South
00°12'57" West 1059.29 feet, thence South 72°58'03" West 271.42 feet,
and the true point of beginning thence continuing South 72°58'03" West
1615 feet and along the southerly line of Deed Volume 244 page 51,
and 20 feet from and parallel to and 20 feet distant from the Northerly
edge of Enterprise Irrigation district discharge pipeline, thence South
18°30' West 30.9 feet, thence South 71°43' West to the East right of
way line of the U.S.R.S. Main Canal, thence Southeasterly along said
right of way to its intersection with the East line of said section,
thence north along said line to its intersection with the Enterprise
Irrigation District Canal, thence Northwest along the westerly right
of way of said canal to the Southerly line of Deed Volume 244 page
51 and the point of beginning.

EXCEPT therefrom the following: A tract of land situated in the E½E½
of Section 13 Township 39 South, Range 9 East of the Willamette Meridian,
Klamath County, Oregon, described as follows: Beginning at a fence
corner located West 30.0 feet and South 2370.8 feet from the Northeasterly
corner of said Section 13, said point being on the Westerly side or boundary
of the Klamath Falls-Merrill Highway as now located (1960), thence Westerly
along a fence line a distance of 235 feet, thence Southerly along a fence
line a distance of 280 feet, thence Easterly along a fence line a distance
of 235 feet to the Westerly side or boundary of the Klamath Falls-Merrill
Highway, thence Northerly along the Westerly boundary of said highway
a distance of 280 feet, more or less, to the point of beginning.

ALSO EXCEPT A tract of land situated in the NE¼ of Section 13, Township
39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon,
more particularly described as follows: Beginning at a 5/8 inch iron
pin on the Southerly line of Deed Volume 244 page 51, as recorded in the
Klamath County Deed records, said point being South 00°12'57" West 1059.29
feet and South 72°58'03" West 271.42 feet from the Northeast corner of
said Section 13; thence South 00°11'43" West 273.35 feet to a 5/8 inch
iron pin; thence North 89°48'17" West 150.00 feet to a 5/8 inch iron pin;
thence North 00°11'43" East 226.84 feet to a 5/8 inch iron pin on the
southerly line of said Deed Volume 244, page 51; thence North 72°58'03"
East 157.05 feet to the point of beginning, with the bearings of the above
described tract based on recorded Survey No. 1751.

Initials:

[Handwritten initials and signatures]

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 \$ 270,000.00, 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, 2010. 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 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 of 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 therefrom, and apply the same to the payment of the 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 laws of the State of Oregon, and any acts amendatory or supplementary thereto and the regulations of the Farm Credit Administration, and 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 and assigns of the respective parties hereto.

Each of the above named joint venturers in Henley Farms hereby subordinating upon said premises under the joint venture agreement dated March 10, 1974 of this mortgage.

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

As entities and for Henley Farms Joint Venture:

L. A. Swetland, M. D., P. C., Pension and Profit Sharing Trust,

By: [Signature] Trustee

R. H. Otteman, M. D., P. C., Pension and Profit Sharing Trust,

By: [Signature] Trustee

Ore-Cal General Wholesale, Inc., an Oregon Corporation

By: [Signature] Harry R. Waggoner as its President

By: [Signature] Jewell Huston as its Secretary

Individually:

[Signature]
Harry R. Waggoner

Individually and for Henley Farms Joint Venture:

[Signature]
Betty Jean Hiyara

[Signature]
Norma E. Waggoner

[Signature]
R. H. Otteman

[Signature]
L. A. Swetland

[Signature]
Cheryl J. Swetland

STATE OF Oregon

County of Klamath

On Oct. 7, 1974, before

L. A. Swetland, M. D., P. C., Pension and Profit Sharing Trust, an entity and joint venturer in Henley Farms,

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

[Signature]
NOTARY PUBLIC

My Commission Expires October

STATE OF Oregon

County of Klamath

On Oct. 7, 1974, before

R. H. Otteman as Trustee for R. H. Otteman, M. D., P. C., Pension and Profit Sharing Trust, an entity and joint venturer in Henley Farms,

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

[Signature]
NOTARY PUBLIC

My Commission Expires Oct.

13295

or nonappurtenant to said mortgaged premises,
United States or the State or any department,

ces, including private roads, now or hereafter
lumbing, lighting, heating, cooling, ventilating,
or hereafter belonging to or used in connection
to said land; and together with all waters and
other conduits, rights therein and rights of way
hereof, or used in connection therewith.

ants and agreements hereinafter contained, and
s to the order of the mortgagee, of even date
s provided for in said note, being payable in
2010. All payments

lawful authority to convey and mortgage the
ill warrant and defend the same forever against
be extinguished by any foreclosure hereof, but

id premises in good repair; to complete any
improvements to any existing structures; not to
improvements now or hereafter existing on said
structure or improvement thereon which may be
es except for domestic use; to maintain and
of preserving the fertility thereof; to keep the
commit or suffer waste of any kind upon said
purpose; and to do all acts or things necessary
aid premises.

premises, including assessments upon water
in connection with said land, and to deliver to
en prior to the lien of this mortgage to exist at

in manner and form and in such company or
miums and charges on all such insurance when
e mortgaged premises with receipts showing
soever affecting the mortgaged premises shall
of and satisfactory to the mortgagee. The
ch may be applied by the mortgagee upon the

the mortgagee shall be entitled at its option to
to be applied by the mortgagee upon the

ments herein contained, then the mortgagee
not) may, at its option, perform the same in
est at the rate of 10 per cent per annum, and
interest and costs accruing thereon, shall be

venants or agreements heretofore, or if default be
n of said loan shall be expended for purposes
mission of said mortgagee, or if said land or
a. in any such case, all indebtedness hereby
and this mortgage may be foreclosed; but the
e considered as a waiver or relinquishment of
default

of the debt hereby secured, or any suit which
lien hereof, the mortgagors agree to pay a
suit, and further agree to pay the reasonable
secured hereby and included in the decree of

he right forthwith to enter into and upon the
thereof, and apply the same, less reasonable
the right to the appointment of a receiver to
rits of said premises after default are hereby
described.

13296

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.

Each of the above named joint venturers in Henley Farms hereby subordinates any lien upon said premises under the joint venture agreement dated March 10, 1971, to the lien of this mortgage.

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

As entities and for Henley Farms Joint Venture:

L. A. Swetland, M. D., P. C., Pension and
Profit Sharing Trust,

By: [Signature]
Trustee

R. H. Otteman, M. D., P. C., Pension and
Profit Sharing Trust,

By: [Signature]
Trustee

Ore-Cal General Wholesale, Inc., an Oregon Corporation

By: [Signature]
Harry R. Waggoner as its President

By: [Signature]
Jewell Huston as its Secretary

Individually:

[Signature]
Harry R. Waggoner

Individually and for Henley Farms Joint Venture:

[Signature]
Gerald D. Hilyard
[Signature]
Betty Jean Hilyard

[Signature]
Norma E. Waggoner
[Signature]
R. H. Otteman
[Signature]
Mary W. Otteman
[Signature]
L. A. Swetland
[Signature]
Cheryl J. Swetland

STATE OF Oregon

County of Klamath

On Oct. 7, 1974 before me personally appeared

L. A. Swetland as Trustee for

L. A. Swetland, M. D., P. C., Pension and Profit Sharing Trust, an entity and joint venturer in Henley Farms,

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.

[Signature]
NOTARY PUBLIC

My Commission Expires October 30, 1976

STATE OF Oregon

County of Klamath

On Oct. 7, 1974 before me personally appeared

R. H. Otteman as Trustee for R. H. Otteman, M. D., P. C., Pension and Profit Sharing Trust, an entity and joint venturer in Henley Farms,

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.

[Signature]
NOTARY PUBLIC

My Commission Expires Oct. 30, 1976

COUNTY OF Klamath }
STATE OF Oregon } ss.

13297

On this 8th day of October A. D. 1974, before me, a Notary Public in and for the above named County and State, personally appeared Harry R. Waggoner and Jewel Huston 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 each on oath stated that he was authorized to execute said instrument 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.

Alberta M. Sharp
Notary Public for the State of Oregon
Residing at Klamath Falls

STATE OF Oregon)
County of Klamath) ss.

On October 7, 1974, before me personally appeared Garret D. Hilyard and Betty Jean Hilyard, husband and wife, individually and as joint venturers in Henley Farms, 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.

Alberta M. Sharp
NOTARY PUBLIC
My commission expires Oct. 30, 1976

STATE OF Oregon)
County of Klamath) ss.

On October 8, 1974, before me personally appeared Harry R. Waggoner and Norma E. Waggoner, husband and wife, 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.

Alberta M. Sharp
NOTARY PUBLIC
My commission expires Oct. 30, 1976

STATE OF Oregon)
County of Klamath) ss.

On October 7, 1974, before me personally appeared R. H. Otteman and Mary W. Otteman, husband and wife, 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.

Alberta M. Sharp
NOTARY PUBLIC
My commission expires Oct. 30, 1976

STATE OF Oregon)
County of Klamath) ss.

On October 7, 1974, before me personally appeared L. A. Swetland and Cheryl J. Swetland, husband and wife, 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.

Alberta M. Sharp
NOTARY PUBLIC
My Commission expires Oct. 30, 1976

STATE OF OREGON, }
County of Klamath } ss.

Filed for record October 10, 1974

on this 10th day of OCTOBER A. D. 19 74
at 3:54 o'clock P.M. and duly
recorded in Vol. M 74 of MORTGAGES
Page 13292

WM. D. MILNE, County Clerk

By Elizabeth H. Hargis
Deputy.

Return Federal Land Bank P.O. Box 148 Klamath Falls, Oregon 97601