

A-33322

FLB 697A (8-77)

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Vol. M Page 10702

FEDERAL LAND BANK MORTGAGE

KNOW ALL MEN BY THESE PRESENTS, That on this 6th day of June, 1980,

HAC Farms, Inc., an Oregon corporation; Harold A. Campbell and Dolly L. Campbell, husband and wife; and William H. Campbell, unmarried,

FLB
LOAN 183940-7

Recorded _____
at _____ o'clock _____
_____, Page _____
Auditor, Clerk or Recorder

JUN 11 AM 11 33

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 1 page marked Exhibit "A" which is attached hereto and is by reference made a part hereof.

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Exhibit "A"

FLB #183940-7

10703

All the following described real property situated in Klamath County, Oregon:

The SE $\frac{1}{4}$ NE $\frac{1}{4}$, and Lots 1 and 2 of Section 20, Township 39 South, Range 10 East of the Willamette Meridian, EXCEPT all that portion of Lots 1 and 2, Section 20, Township 39 South, Range 10 E.W.M., described as follows:

Beginning 1218 feet North of the Southeast corner of Section 20 on the right bank of Lost River; thence North 282 feet; thence West 258.5 feet; thence North 42°30' West 317.5 feet; thence South 60° West 350 feet; thence South 300 feet; thence South 36°45' West 269.5 feet; thence South 10° West 1060 feet to the South line of Lot 2; thence East 250 feet to right bank of Lost River, thence up stream along bank of Lost River to place of beginning; Also EXCEPTING a tract of land situated in Lot 2, Section 20, more particularly described as follows: Beginning at the Southwest corner of the said Lot 2; thence North along the West line of said Lot 2, 241 feet to an iron pin; thence East at right angles to the West line of said Lot 2, 265 feet to an iron pin on the Westerly bank of Lost River; thence Southwesterly along the Westerly bank of Lost River to the South line of said Lot 2; thence West along the South line of said Lot 2 to the point of beginning.

The NE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 20, Township 39 South, Range 10 East of the Willamette Meridian.

The NE $\frac{1}{4}$ of the SE $\frac{1}{4}$, the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 17, Township 39 South, Range 10 East of the Willamette Meridian.

That portion of the W $\frac{1}{2}$ of the W $\frac{1}{2}$ of Section 16 lying South of the O. C. & E. Railroad right of way; and the W $\frac{1}{2}$ of the NW $\frac{1}{4}$ and Government Lot 1 in Section 21; All in Township 39 South, Range 10 East of the Willamette Meridian.

The SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ and that portion of the NE $\frac{1}{4}$ of SW $\frac{1}{4}$ lying South of the right-of-way of the O. C. & E. Railroad in Section 16; the E $\frac{1}{2}$ of the NW $\frac{1}{4}$ and Lot 2 in Section 21, All in Township 39 South, Range 10 East of the Willamette Meridian, LESS AND EXCEPTING from said Lot 2 the following described portion: Beginning 500 feet South of the center of Section 21; thence South 70°00' West 1150 feet; thence North 270 feet; thence South 61°05' West 263.4 feet to the West line of said Lot 2; thence South 750 feet to the right bank of Lost River; thence upstream along the bank of Lost River to the East line of said Lot 2; thence North 650 feet, more or less, to the point of beginning, containing 20.83 acres.

ALSO EXCEPTING a parcel of land in said Section 21 described as beginning at the center one quarter corner, marked by a 5/8 inch iron pin; thence South 00°02'26" East, along the North-South center of section line, 500 feet to a steel fence post; thence leaving said North-South center of section line, South 70°00'00" West, 1150 feet to an iron axle; thence North 270 feet to a 5/8 inch iron pin; thence South 61°05'00" West, 272.76 feet to a point on the West line of the E $\frac{1}{2}$ of the W $\frac{1}{2}$ of said Section 21; thence along said West line North 00°04'26" East, 829.80 feet to its intersection with a fence from the East; thence leaving said West line, North 60°02'36" East, 803.03 feet to the point of intersection with said fence; thence along said fence, North 67°38'11" East, 251.68 feet; thence continuing along said fence North 70°18'03" East, 413.16 feet to its intersection with said center of section line; thence leaving said fence along said center of section line South 00°02'26" East, 710.60 feet to the point of beginning, containing 33.97 acres more or less, together with easement from County road.

A strip of land one rod wide off of the North end of the NW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 17, Township 39 South, Range 10 East of the Willamette Meridian.

Initials: WAC, WAC, WAC

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 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 \$ 250,000.00, 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 October, 2015.

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 money secured hereby when due.

To keep the buildings and other improvements now or hereafter existing on said premises in good repair; to complete without delay the construction on said premises of any building, structure or improvement in progress, any improvements to existing structures in progress, and any improvements or remodeling for which the loan hereby secured was granted in whole or in part; not to remove or demolish or permit the removal or demolition of any building thereon; to restore promptly in a good and workmanlike manner any building, structure or improvement thereon which may be damaged or destroyed; to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property and its use; not to use or permit the use of said premises for any unlawful or objectionable purpose; not to cut or permit the cutting of timber from said premises except for domestic use; to maintain and cultivate the premises in good and husbandlike manner, using approved methods of preserving the fertility thereof; to keep the orchards on said lands properly irrigated, cultivated, sprayed, pruned and cared for; not to commit or suffer waste of any kind upon said premises; 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, all assessments upon water company stock, and all rents, assessments and charges for water appurtenant to or used in connection with said property; and to suffer no other encumbrance, charge or lien against said premises which is superior to this mortgage.

To keep all buildings now existing or hereafter erected continuously 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 premises, with receipts showing payment of all premiums and charges affecting said policies; and that all insurance whatsoever affecting the premises shall be made payable, in case of loss, to the mortgagee, with a loss payable 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, together with interest and costs, shall be immediately repayable by the mortgagors without demand, shall be secured by this mortgage, and shall draw interest until paid at the default rates provided for in the note hereby secured.

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 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 if there is a prior mortgage to The Federal Land Bank of Spokane on the lands herein mortgaged, or any part thereof, default in the performance of any of the covenants of either this mortgage or the prior mortgage shall be considered a default of both mortgages and mortgagee may, at its option, declare either or both of the mortgages immediately due and payable.

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

Harold A. Campbell
Harold A. Campbell
Dolly L. Campbell
Dolly L. Campbell
William H. Campbell
William H. Campbell

HAC FARMS, INC.

By: Harold A. Campbell President
Attest: Dolly L. Campbell Secretary

STATE OF Oregon }
County of Klamath } ss.

Harold A. Campbell and Dolly L. Campbell,

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 10, 1980, before me personally appeared

Alberta M. Thayer
NOTARY PUBLIC
My Commission Expires Oct. 30, 1980

STATE OF Oregon }
County of Klamath } ss.
William H. Campbell

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On June 10, 1980, before me personally appeared

Alberta M. Thayer
NOTARY PUBLIC
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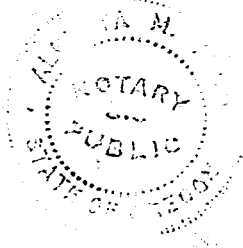
DKM

10706

STATE OF Oregon)
 : ss.
 County Of Klamath)

On this 10th day of June, 19 80, before me, personally appeared Harold A. Campbell and Dolly L. Campbell, known to me to be the President and Secretary, respectively, of the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same as its free act and deed; and each on oath stated that he was authorized to execute said instrument.

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



Albert M. Sharp
 Notary Public for the State of Oregon
 Residing at Klamath Falls
 My commission expires Oct. 30, 1980

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Klamath County Title Co.
 this 11th day of June A. D. 19 80 at 11:33 o'clock A.M., and
 duly recorded in Vol. M80, of Mortgages on Page 10702

Wm D. MILNE, County Clerk
 By Bernetha Hetsch

Fee \$17.50

Ret: Fed Land Bank
 900 Klamath Ave (P.O. Box 148)
 KFD 97601