

FARM MORTGAGE

THIS INDENTURE, made this 29th day of June, 1983, between MIKE SHORT AND BESSIE SHORT, TRUSTEES OF THE MIKE AND BESSIE DELL SHORT 1978 LIVING TRUST, hereinafter called "Mortgagor", and FIRST INTERSTATE BANK OF CALIFORNIA, a California banking corporation, hereinafter called "Mortgagee";

WITNESSETH:

For value received by the Mortgagor from the Mortgagee, the Mortgagor has bargained and sold and does hereby grant, bargain, sell and convey unto the Mortgagee, all the following described property situate in Klamath County, Oregon, to wit:

PARCEL 1

That certain parcel described as beginning at a point on the section line between Sections 15 and 16, Township 38 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon, 48 rods North of the corner common to Sections 15, 16, 21 and 22; running thence North on the Section line 16 rods; thence East 10 rods; thence South 16 rods; thence West 10 rods to the place of beginning, with a variation throughout the entire course above described of 19° East and situate and being in the Southwest quarter of the Southwest quarter of Section 15, Township 38 South, Range 10 East of the Willamette Meridian.

PARCEL 2

In Township 38 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon:

Section 10: SW $\frac{1}{4}$, SE $\frac{1}{4}$

Section 15: N $\frac{1}{2}$, SE $\frac{1}{4}$, and all that part of the SW $\frac{1}{4}$ lying Northerly and Easterly of the Swan Lake Road.

Section 22: All that part of the NW $\frac{1}{4}$ of said Section which lies Northerly and Easterly of the Swan Lake Road, and all that portion of the NE $\frac{1}{4}$ of the said Section 22, described as follows:

Beginning at the Northeast corner of said Section 22; then South 0° 35' West along the section line marking the Easterly boundary of the said NE $\frac{1}{4}$ of the said Section 22, 2231.6 feet, more or less, to a point in the center line of the county road; thence North 58° 44 $\frac{1}{2}$ ' West along the center line of the said county road, 3069.9 feet, more or less, to a point in the North and South center line of the said Section 22, which centerline marks the Westerly boundary of the said NE $\frac{1}{4}$ of the said Section 22; thence North 0° 31' East along the said line 628.2 feet, more or less, to the North quarter corner of Section 22, which marks the Northwest corner of NE $\frac{1}{4}$ of Section 22; thence North 89° 46 $\frac{1}{2}$ ' East along the section line

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marking the Northerly boundary of the said NE $\frac{1}{4}$ of Section 22, 2641.3 feet, more or less, to the section corner at the Northeast corner of Section 22, the point of beginning.

SAVING AND EXCEPTING THEREFROM that portion conveyed to Mike Short and Bessie D. Short, husband and wife, by Deed recorded in Volume 318 at page 177, Deed Records of Klamath County, Oregon, and also excepting any portion thereof lying within rights of way for ditches, canals and roadways.

together with the tenements, hereditaments and appurtenances including, but not exclusively, all ways, waters and water rights, now or hereafter thereunto belonging or in anywise appertaining; also all such apparatus, equipment, and fixtures now or hereafter situate on said premises or situate elsewhere, but used in the operation of said premises as are ever furnished by landlords in letting properties similar to the one situated on the real property hereinabove described, including, but not exclusively, all fixtures and personal property used or intended for use for plumbing, lighting, heating, cooking, cooling, ventilating, cultivating or irrigating and linoleum and other floor coverings attached to floors; also the rents, issues and profits arising from or in connection with the said real and personal property or any part thereof.

TO HAVE AND TO HOLD the same unto the Mortgagee, its successors and assigns, forever.

And the Mortgagor does hereby covenant to and with the Mortgagee, that he is lawfully seized in fee simple of the said real property, that he is the absolute owner of the said personal property, and that the said real and personal property is free from encumbrances of every kind and nature, except those set forth in that certain Lot Book Service dated March 1, 1983 as Order No. 38-25770 prepared by Transamerica Title Insurance Services for Mortgagor, and that he will warrant and forever defend the same against the lawful claims and demands of all persons whomsoever.

This conveyance is limited as a mortgage to secure performance of the covenants and agreements herein contained, to be by the Mortgagor kept and performed, and to secure the payment of the sum of \$182,686.00 and interest thereon in accordance with tenor of a certain promissory note, executed by Mike Short and Bessie Short, Trustees of the Mike Short and Bessie Dell Short 1978 Living Trust dated, June 29, 1983. *ms 60.2*

The Mortgagor does hereby covenant and agree to and with the Mortgagee, its successors and assigns:

1. That he will pay, when due, the indebtedness hereby secured, with interest, as prescribed by said Note, and all taxes, liens and utility charges upon said premises or for services furnished thereto.

2. That he will not commit or permit strip or waste of the said premises or any part thereof; that he will keep the real and personal property hereinabove described in good order and repair and in tenantable condition; that he will promptly comply with any and all municipal and governmental rules and regulations with reference thereto; that if any of the said property be damaged or destroyed by any cause, he will immediately reconstruct or repair the same so that, when completed, it shall be worth not less than the value thereof at the time of such loss or damage; provided, that if such loss or damage shall be caused by a hazard against which insurance is carried, the obligation of the Mortgagor to

repair or reconstruct shall not arise unless the Mortgagee shall consent to the application of insurance proceeds to the expense of such reconstruction or repair.

3. That he will, at his own cost and expense, keep the building or buildings now or hereafter upon said premises, together with all personal property covered by the lien hereof, insured against loss by fire and against loss by such other hazards as the Mortgagee may from time to time require, in one or more insurance companies satisfactory to or designated by the Mortgagee in an aggregate amount not less than the amount of the indebtedness hereby secured (unless the full insurable value of such building or buildings is less than the amount hereby secured, in which event the Mortgagor shall insure to the amount of the full insurable value); that all policies of insurance upon said premises, including policies in excess of the amount hereinabove mentioned and policies against other hazards than those required, shall contain such provisions as the Mortgagee shall require and shall provide, in such form as the Mortgagee may prescribe, that loss shall be payable to the Mortgagee; that all such policies and receipts showing full payment of premiums therefor shall be delivered to and retained by the Mortgagee during the existence of this Mortgage; that at least 5 days prior to the expiration of any policy or policies he will deliver to the Mortgagee satisfactory renewals thereof together with premium receipts in full; that if any policy or policies shall impose any condition upon the liability of the insurer or shall contain any "average clause" or other provision by which the insurer may be liable for less than the full amount of the loss sustained, he will, as often as the Mortgagee may require, provide the Mortgagee with all such evidence as it may request concerning the performance of such condition or the existence of any facts or the value of the property insured and, if it shall appear to the Mortgagee that the insurance is prejudiced by the acts or omissions of the Mortgagor or that the coverage is inadequate, the Mortgagor will do such acts and things and obtain such further insurance as the Mortgagee may require; that the Mortgagee may, at its option, require the proceeds of any insurance policies upon the said premises to be applied to the payment of the indebtedness hereby secured or to be used for the repair or reconstruction of the property damaged or destroyed.

4. That he will execute or procure such further assurance of his title to the said property as may be requested by the Mortgagee.

5. That he will use the said land only for farming, that he will maintain and cultivate the same in a good and husbandlike manner, using approved methods of preventing soil erosion thereon and of preserving the fertility of the cultivated portions thereof; that he will keep the orchards on said land properly irrigated, cultivated, sprayed, pruned and cared for; that he will not remove or demolish or permit the removal or demolition of any building or buildings or fences or other improvements now or hereafter existing on said premises; that he will not cut or remove or permit the cutting or removal of timber from said premises, except for domestic use thereon; that he will not use or permit the use of said premises for any unlawful or objectionable purpose; that he will do all acts and things necessary to protect from pollution any and all surface waters, seepage waters, wells, springs and streams now or hereafter upon or used for irrigation or domestic purposes upon the said premises.

6. That in case the Mortgagor shall fail, neglect or refuse to do or perform any of the acts or things herein required to be done or performed, the Mortgagee may, at its option, but without any obligation on its part so to do, and without waiver of such default, procure any insurance, pay any taxes or liens or utility charges, make any repairs, or do any other of the things required, and any expenses so incurred and any sums so paid shall bear interest at Mortgagee's prime rate plus 2% per annum and shall be secured hereby. The Interest Rate referred to in this paragraph

shall change on the same day of any change in Mortgagee's prime rate.

7. If all or any part of the premises or an interest therein is sold or transferred by Mortgagor without Mortgagee's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Mortgage, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Mortgagee may, at Mortgagee's option, declare all the sums secured by this Mortgage to be immediately due and payable. Mortgagee shall have waived such option to accelerate if, prior to the sale or transfer, Mortgagee and the person to whom the premises is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Mortgagee and that the interest payable on the sums secured by this Mortgage shall be at such rate as Mortgagee shall request. If Mortgagee has waived the option to accelerate provided in this Mortgage, and if Mortgagor's successor in interest has executed a written assumption agreement accepted in writing by Mortgagee, Mortgagee shall release Mortgagor from all obligations under this Mortgage and the note. If Mortgagee exercises such option to accelerate, Mortgagee shall mail Mortgagor notice of acceleration by mailing such notice by certified mail addressed to Mortgagor at the address of the premises. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Mortgagor may pay the sums declared due. If Mortgagor fails to pay such sums prior to the expiration of given period, Mortgagee may, without further notice, foreclose this Mortgage.

8. That, if any default be made in the payment of the principal or interest of the indebtedness hereby secured or in the performance of any of the covenants or agreements of this Mortgage, the Mortgagee may, at its option, without notice, declare the entire sum secured by this Mortgage due and payable and foreclose this Mortgage.

9. That, in the event of the institution of any suit or action to foreclose this Mortgage, the Mortgagor will pay such sum as the trial court and any appellate court may adjudge reasonable as attorney's fees in connection therewith and such further sums as the Mortgagee shall have paid or incurred for extensions of abstracts or title searches or examination fees in connection therewith, whether or not final judgment or decree therein be entered and all such sums are secured hereby; that in any such suit, the court may, upon application of the plaintiff and without regard to the condition of the property or the adequacy of the security for this indebtedness hereby secured and without notice to the Mortgagor or any one else, appoint a receiver to take possession and care of all said mortgaged property and collect and receive any or all of the rents, issues and profits which had theretofore arisen or accrued or which may arise or accrue during the pendency of such suit; that any amount so received shall be applied toward the payment of the debt secured hereby, after first paying therefrom the charges and expenses of such receivership; but until a breach or default by the Mortgagor in one or more of his covenants or agreements herein contained, he may remain in possession of the mortgaged property and retain all rents actually paid to and received by him prior to such default.

10. The word "Mortgagor", and the language of this instrument shall, where there is more than one mortgagor, be construed as plural and be binding jointly and severally upon all mortgagors and the word "Mortgagee" shall apply to any holder of this Mortgage. Masculine pronouns include feminine and neuter. All of the covenants of the Mortgagor shall be binding upon his heirs, executors, administrators, successors and assigns and inure to the benefit of the successors and assigns of the Mortgagee. In the event of any transfer of the property herein described or any part

thereof or any interest therein, whether voluntary or involuntary or by operation of law, the Mortgagee may, without notice to the Mortgagor or any one else, once or often, extend the time of payment or grant renewals of indebtedness hereby secured for any term, execute releases or partial releases from the lien of this Mortgage or in any other respect modify the terms hereof without thereby affecting the personal primary liability of the Mortgagor for the payment of the indebtedness hereby secured. No condition of this Mortgage shall be deemed waived unless the same be expressly waived in writing by the Mortgagee. Whenever any notice, demand, or request is required by the terms hereof or by any law now in existence or hereafter enacted, such notice, demand or request shall be sufficient if personally served on one or more of the persons who shall at the time hold record title to the property herein described or if enclosed in a postpaid envelope addressed to one or more of such persons or to the Mortgagor at the last address actually furnished to the Mortgagee or at the mortgaged premises and deposited in any post office, station or letter box.

11. Severability. Should any part, term or provision of this Mortgage, or any document dealing with any entity(s) set forth within this Mortgage and required herein to be executed or delivered at the closing, be declared invalid, void or unenforceable, all remaining parts, terms, and provisions hereof shall remain in full force and effect and shall in no way be invalidated, impaired or affected thereby.

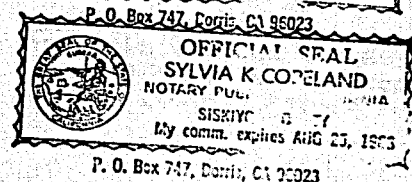
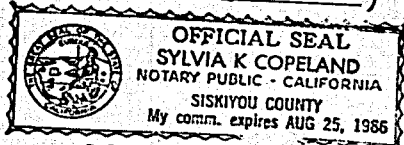
IN WITNESS WHEREOF, the Mortgagors have hereunto set their hands and seals the day and year first hereinabove written.

MIKE AND BESSIE DELL SHORT 1978 LIVING TRUST

Mike Short Trustee
MIKE SHORT, Trustee

Bessie Short Trustee
BESSIE SHORT, Trustee

State of California } ss.
County of Siskiyou



On this the 6th day of July, 1983, before me,

- - Sylvia K. Copeland - - -

the undersigned Notary Public, personally appeared

- -Mike Short, Trustee and Bessie Short, Trustee - - -

☒ personally known to me

☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) are subscribed to the within instrument, and acknowledged that they executed it. WITNESS my hand and official seal.

Notary's Signature

Sylvia K. Copeland

First Interstate Bank
P. O. Box 747
Dorris, Ca. 96023

NATIONAL NOTARY ASSOCIATION • 23012 Ventura Blvd. • Woodland Hills, CA 91364

STATE OF OREGON: COUNTY OF KLAMATH :ss

I hereby certify that the within instrument was received and filed for record on the 7 day of July, A.D., 1983 at 2:11 o'clock P M, and duly recorded in Vol M 83, of mtges on page 10755

EVELYN BIEHN COUNTY CLERK

by Lucy Davis Deputy

Fee \$ 20.00