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Form PCA 405  
Spokane (Rev. 12-74)

10634

REAL ESTATE MORTGAGE vol. m84 Page 10634

Member No.

On this 11th day of April, 19 84HAC FARMS, INC.

hereinafter called the MORTGAGORS, hereby grant, bargain, sell, convey and mortgage to

KLAMATHPRODUCTION CREDIT ASSOCIATION,

a corporation organized and existing under the Farm Credit Act of the Congress of the United States, as amended, with its

principal place of business in the City of KlamathState of Oregon, hereinafter called the MORTGAGEE, the following described real estate in theCounty of Klamath, State of Oregon, to-wit:

(SEE EXHIBIT "A" ATTACHED)

together with all the tenements, hereditaments, rights, privileges, appurtenances, and fixtures, including all irrigating and watering apparatus, now or hereafter belonging to, located on, or used in connection with the above described premises, and together with all waters and water rights of every kind and description and however evidenced, and all ditches or other conduits and rights of way thereof, appurtenant to said premises or used in connection therewith; and together with all range and grazing rights (including rights under the Taylor Grazing Act and Federal Forest Grazing privileges), now or hereafter issued in connection with or appurtenant to the said real property, and the mortgagors covenant that they will comply with all rules, regulations and laws pertaining thereto and will in good faith endeavor to keep the same in good standing and will execute all waivers and other documents required to give effect to these covenants, and that they will not sell, transfer, assign or otherwise dispose of said rights or privileges without the prior written consent of the mortgagee.

SUBJECT TO Prior lien held by Federal Land Bank, Assn.

This conveyance is intended as a mortgage to secure in whole or in part the performance of the covenants and agreements hereinafter contained and the payment of the following described promissory note(s) made by one or more of the Mortgagors (unless otherwise indicated) to the order of the Mortgagee, together with interest as hereinafter provided and together with all renewals or extensions thereof:

MATURITY DATE(S)	DATE OF NOTE(S)	AMOUNT OF NOTE(S)
November 5, 1984	April 11, 1984	816,998.00
June 5, 1985	August 9, 1978	75,030.00
October 5, 1986	October 24, 1979	50,022.00
June 5, 1986	February 4, 1981	26,190.00

Also this mortgage is intended to secure all future loans or advances made or contracted within a period of FIVE (5) YEARS from and after the date of recording of this mortgage, provided, however, that the maximum amount of all indebtedness to be

secured by this mortgage shall not exceed in the aggregate at any time the sum of \$ 1,000,000.00, exclusive of accrued interest and of advances made in accordance with the covenants of this mortgage to protect collateral.

All present and future indebtedness secured by this mortgage shall bear interest at the rate specified in the note(s) evidencing such indebtedness, provided, however, that if such rate or rates are thereafter increased or decreased by Mortgagee, all of the indebtedness secured hereby shall bear such increased or decreased rate of interest from the effective date thereof.

The continuing validity and priority of this mortgage as security for future loans or advances shall not be impaired by the fact that at certain times hereafter there may exist no outstanding indebtedness from Mortgagor to Mortgagee or no commitment to make loans or advances.

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# MORTGAGORS COVENANT AND AGREE:

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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 encumbrances except as stated above; and each of the Mortgagors will warrant and defend the same forever against the lawful claims and demands of all persons whomsoever except as stated above, hereby relinquishing all dower and homestead rights in the premises; and these covenants shall not be extinguished by any foreclosure hereof, but shall run with the land;

To pay when due all debts and money secured hereby;

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 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 pay when due all taxes and assessments upon said premises; and to suffer no other lien or encumbrance prior to the lien of this mortgage to exist at any time against said premises, except as stated above;

To keep all buildings insured against loss or damage by fire in manner and form and in such company or companies and in such amount as shall be satisfactory to the Mortgagee; to pay when due all premiums and charges on all such insurance; to deposit with the Mortgagee, upon request, all insurance policies affecting the mortgaged premises, all of which said insurance shall be made payable, in case of loss, to the Mortgagee, with a mortgagee clause satisfactory to the Mortgagee;

To keep in good standing and free from delinquencies all obligations under any mortgage or other lien which is prior to this mortgage.

Should the Mortgagors be or become in default in any of the covenants or agreements herein contained, then the Mortgagee 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 borne by the principal debt hereby secured, 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, 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 the records and abstracting or insuring the title, and such sums and costs and expenses shall be secured hereby and be 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, except under circumstances where such taking is expressly prohibited by law, 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 and/or to manage the property during the pendency of legal proceedings. The rents, issues and profits of said premises after default shall accrue to Mortgagee's benefit and are hereby assigned and mortgaged to Mortgagee as additional security for the indebtedness herein described.

All rights and remedies conferred on Mortgagee by this mortgage are cumulative and additional to any and all other rights and remedies conferred by law, and are not exclusive. If any provision of this mortgage be found invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof; and the mortgage shall be construed as though the invalid or unenforceable provision had been omitted.

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.

HAC FARMS, INC.

by: Daisy L. Campbell

by: Harold A. Campbell Pres.

by: William H. Campbell Sec-Tr.

STATE OF Oregon  
County of Linn ss.

(Leave this space blank for filing data)

On this 18th day of June, 1984

before me, the undersigned, personally appeared

David G. Campbell  
William H. Campbell  
Daisy L. Campbell

and acknowledged to me that they executed the foregoing instrument to be

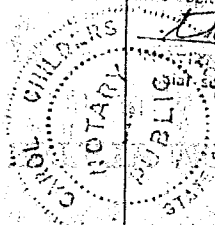
my hand and

Notary Public, State of Oregon

My Commission Expires 10-18-86

Return:

Klamath Production Credit Corp  
Box 148  
KFO



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.

STATE OF OREGON: COUNTY OF KLAMATH:ss

I hereby certify that the within instrument was received and filed for record on the 26th day of June A.D., 19 84 at 9:55 o'clock A M, and duly recorded in Vol M84, of Mortgages on page 10624.

EVELYN BIEHN, COUNTY CLERK

by: Ram Smith, Deputy

Fee: \$ 12.00