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Form PCA 405  
Spokane (Rev. 12-74)

'85 APR 9 PM 1 31

Vol. 185 Page 5115

Member No.

## REAL ESTATE MORTGAGE

On this: 28th day of March, 19 85

DAN W. DUNCAN &amp; CONNIE DUNCAN, Husband and wife

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

KLAMATH

PRODUCTION 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 Klamath Falls

State of Oregon

hereinafter called the MORTGAGEE, the following described real estate in the County of Klamath, State of Oregon, to-wit:

(SEE ATTACHED EXHIBIT "A")

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 ANY MORTGAGE, DEED OF TRUST, CONTRACT OF SALE, LIEN, OR JUDGMENT, OF RECORD AS OF THE DATE OF RECORDATION OF THIS MORTGAGE

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)

April 5, 1986

DATE OF NOTE(S)

March 28, 1985

AMOUNT OF NOTE(S)

198,445.00

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 \$ 200,000.00 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.

OK  
13.00

**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.

Dan W. Duncan

Connie J. Duncan

**ACKNOWLEDGEMENT**

STATE OF Oregon

County of Klamath

8th

April

1985

On this (Leave this space blank for filing date) before me, the undersigned authority, appeared

Dan W. Duncan and

Connie Duncan

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

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

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**ACKNOWLEDGMENT.**

Ret.

Klamath Production Credit Assoc.  
Box 148, KFO.

45000

NOTARY PUBLIC

My Commission expires 10-18-86

NOTARY PUBLIC

My Commission expires 10-18-86

NOTARY PUBLIC

PARCEL 1

All that portion of the SE $\frac{1}{4}$ SW $\frac{1}{4}$  lying South of the irrigation ditch which runs through the said 40 in Section 33, Township 40 South, Range 12 East of the Willamette Meridian.

SAVING AND EXCEPTING the potato cellar in the Southeast corner of said described tract, being a tract of land 36 feet North and South by 152 feet East and West; and EXCEPTING a right of way 16 feet wide to the Northwest corner of said potato cellar and along the North side of said cellar to the North and South road along the East side of said cellar for ingress and egress from other land as reserved by former owners.

PARCEL 2

That part of the E $\frac{1}{2}$ E $\frac{1}{2}$  of Section 32 and part of the W $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 33, Township 40 South, Range 12 East of the Willamette Meridian, described as follows: Beginning at the Southwest corner of the E $\frac{1}{2}$ SE $\frac{1}{4}$  of Section 32, Township 40 South, Range 12 East of the Willamette Meridian, and running thence North along the 40 line a distance of 1300 feet, more or less, to a point where the center line of the East-West canal of the Shasta View Irrigation District extended meets the 40 line; thence East a distance of 65 feet, more or less, to a point on the West bank of said North-South canal of Shasta View Irrigation District; thence South along the West bank of said North-South Canal a distance of 10 feet to a point; thence Easterly following the South bank of said East-West Canal through the E $\frac{1}{2}$ SE $\frac{1}{4}$  of Section 32 and the W $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 33, both in said Township 40 South, Range 12 East of the Willamette Meridian, to the Easterly line of the W $\frac{1}{2}$ SW $\frac{1}{4}$  of said Section 33; thence South along the Easterly line of the W $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 33 to the Township line; thence Westerly along township line to the point of beginning, being in the E $\frac{1}{2}$ SE $\frac{1}{4}$  of Section 32, and the W $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 33, Township 40 South, Range 12 East of the Willamette Meridian.

SAVING AND EXCEPTING tracts of land described as follows: Beginning at an iron pin on the South section line which lies West 781.5 feet from the Southeast corner of the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 33, Township 40 South, Range 12 East of the Willamette Meridian, and running thence North a distance of 95 feet to an iron pin; thence North 56°35' West a distance of 961 feet to an iron pin; thence South 33°25' West a distance of 45 feet to an iron pin which lies on the East bank of the Shasta View Irrigation Canal; thence South 36°25' East along the East bank of the above mentioned canal a distance of 200.00 feet to an iron pin; thence continuing along the East bank of the above mentioned canal South 30°14' East a distance of 492.8 feet to an iron pin which lies on the Section line; thence East along the section line a distance of 460 feet, more or less, to the point of beginning, being in the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 33, and in the SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 32, both sections in Township 40 South, Range 12 East of the Willamette Meridian, said exception being for the West Reservoir.

ALSO EXCEPTING Beginning at a point on the East line of said SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 33 and the center line of the irrigation ditch which runs through said SE $\frac{1}{4}$ SW $\frac{1}{4}$ ; thence South along said East line of said SE $\frac{1}{4}$ SW $\frac{1}{4}$  a distance of 193 feet; thence West a distance of 250 feet; thence North and parallel with the East line of said SE $\frac{1}{4}$ SW $\frac{1}{4}$  a distance of 239 feet to the center line of said irrigation ditch; thence Easterly along said center line to the point of beginning.

ALSO EXCEPTING:

Beginning at a point on the East line of SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 33, Township 40 South, Range 12 East of the Willamette Meridian and the center line of the irrigation canal which runs through said SE $\frac{1}{4}$ SW $\frac{1}{4}$ ; thence South along the East line of said SE $\frac{1}{4}$ SW $\frac{1}{4}$  a distance of 193 feet to the true point of beginning; thence West a distance of 130 feet; thence South and parallel with the East line of said SE $\frac{1}{4}$ SW $\frac{1}{4}$  a distance of 318 feet; thence East 130 feet to the East line of said SE $\frac{1}{4}$ SW $\frac{1}{4}$ ; thence North 318 feet to the point of beginning.

ALSO EXCEPTING A portion of the E $\frac{1}{2}$ SW $\frac{1}{4}$ , in Section 33, Township 40 South, Range 12 East of the Willamette Meridian, more particularly described as follows: Beginning at a point on the West line of the E $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 33, which point is 1309 feet more or less South of the middle of the County Road known as Drazil Road, formerly Turkey Hill Road, said point is also the intersection of the West line of the E $\frac{1}{2}$ SW $\frac{1}{4}$  and irrigation ditch running through said section; thence South along said West line of the E $\frac{1}{2}$ SW $\frac{1}{4}$  377 feet; thence East 692 feet, more or less, to the centerline of irrigation ditch running through said Section 33; thence following center line of said ditch in a Northwesterly direction to the point of beginning. ✓

STATE OF OREGON: COUNTY OF KLAMATH:ss

I hereby certify that the within instrument was received and filed for record on the 9th day of April A.D., 1985 at 1:31 o'clock P M, and duly recorded in Vol M85, of Mortgages on page 5115.

EVELYN BIEHN, COUNTY CLERK

Fee: \$ 13.00

by: P. Am Smith, Deputy