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Vol. m89 Page 23969

FCB 697A (Rev. 7-88)

FCB Loan No. F-221036-0
030942 321 01

*41871

FARM CREDIT BANK MORTGAGE

KNOW ALL MEN BY THESE PRESENTS, That on November 29, 1989

Billy G. Mann, unmarried;
whose mailing address is: 6917 Reeder Rd., Klamath Falls, OR 97603;

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PM 12
hereinafter called the Mortgagors, hereby grant, bargain, sell, convey and mortgage to FARM CREDIT BANK OF SPOKANE, a corporation,
whose address is West 601 First Avenue, TAF-C-5, Spokane, Washington 99220-4005, hereinafter called the Mortgagee, the following described
real estate in the County(ies) of Klamath
State of Oregon

The description of real property covered by this mortgage consists of 1 page(s)
marked Exhibit "A", which is attached hereto and is by reference made a part hereof.

'89 DEC 12

W½W½NE¼, EXCEPT the East 198 feet thereof in Section 18, Township 39 South, Range 10 East of the Willamette Meridian.

SE¼ of Section 18 Township 39 South, Range 10 East of the Willamette Meridian, EXCEPT a tract beginning at the Southeast corner of Section 18, said point being marked by a 1½"x32" iron pin stamped OLS 354, thence North 89°52'30" West along the South line of said Section 18 a distance of 1000.00 feet to a 5/8"x30" iron pin with aluminum cap stamped OLS 354, thence North parallel with the East line of said Section 18 a distance of 261.36 feet to a 5/8"x30" iron pin stamped OLS 354, thence South 89°52'30" East parallel with the South line of said Section 18 a distance of 1000.00 feet to a 5/8"x30" iron pin with aluminum cap stamped OLS 354 on the East line of said Section 18, thence South along the East line of said Section 18 a distance of 261.36 feet to the point of beginning.

SE¼NE¼ of Section 18, Township 39 South, Range 10 East of the Willamette Meridian.

A portion of Section 17, Township 39 South, Range 10 East of the Willamette Meridian, more particularly described as follows:

Commencing at the corner common to Sections 17, 18, 19 and 20, Township 39 South, Range 10 East of the Willamette Meridian, thence North along the West boundary of Section 17, 30.0 feet to the true point of beginning, thence North 89°32'36" East along the North boundary of Reeder Road, 947.17 feet to the West boundary of the Klamath Irrigation District "B" Canal, thence along said canal boundary 266.00 feet along a 904.93 foot radius curve left, (The long chord bears North 10°04'15" East, 265.06 feet) thence North 1°39' East 1678.70 feet, thence 530.37 feet along a 408.10 foot radius curve to the right (the long chord bears North 38°52'50" East, 493.83 feet) to a point 25.00 feet West from the centerline of a drain ditch thence North 4°31'10" West parallel to said drain to the North boundary of the SW¼NW¼ of said Section 17, thence West along said boundary to the West boundary of Section 17, thence South along the West boundary of Section 17 to the true point of beginning.

Tax Account Nos: 3910-1800-400/597795; 3910-1800-500/597802;
3910-1800-700/597820; 3910-1800-800/597839;
3910-1700-1200/597401; 3910-1800-600/597811.

Together with a 75 HP US electric motor, unknown make panel, with a Layne Bowler turbine pump; a 40 HP G.E. electric motor, unknown make panel, with a Jacuzzi turbine pump; a 75 HP G.E. electric motor, unknown make panel, with an unknown make centrifugal pump; a 75 HP G.E. electric motor, unknown make panel, with a Cornel centrifugal pump; 998 feet of size 5 inch aluminum mainline with valves; 460 feet of size 6 inch aluminum mainline with valves; 2,710 feet of size 8 inch aluminum mainline with valves; 2,600 feet of size 10 inch aluminum mainline with valves; 890 feet of size 12 inch aluminum mainline with valves; 10 - size 4 inch by 4 inch valve openers; 1 - Alumax wheelline size 4 inch by 72 inch wheels with 32 joints and mover; 1 - Crop King wheelline size 5 inch by 72 inch wheels with 32 joints and mover; 1 - Crop King wheelline size 5 inch by 72 inch wheels with 31 joints and mover and levelers; 1 - Crop King wheelline size 5 inch by 72 inch wheels with 33 joint and mover and levelers; 2 - Redi Rain wheellines size 4 inch by 58 inch wheels with 30 joints and mover; 1 - unknown make wheelline size 4 inch by 58 inch wheels with 32 joints and mover; miscellaneous fittings consisting of but not limited to reducers, elbows, tees, hoses, throw pipes, of which all make a complete and operating system; and any replacements thereof; all of which are hereby declared to be appurtenant thereto.

INITIALS: 

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 \$288,600.00, 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 December, 2009.

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 or bankruptcy proceeding 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 or proceeding, 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 the terms, conditions and provisions thereof applicable to Farm Credit Bank loans.

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.

23973

FCB No. F-221036-0
(030942 321 01)

EXHIBIT I FIXED RATE RIDER

THIS FIXED RATE RIDER is made this 29th day of November, 19 89, and is incorporated into and amends and supplements that certain Mortgage dated November 29, 1989 for the purpose of providing notice of the terms and provisions of the obligations evidenced by that certain Note (the "Note") given by the Borrower to Farm Credit Bank of Spokane ("Bank") or Bank's predecessor in merger, The Federal Land Bank of Spokane, dated November 29, 1989 for the principal sum of Two Hundred Eighty-eight Thousand Six Hundred and no cents Dollars (\$ 288,600.00). The terms of the Note provide that the interest rate, payment terms or amounts due under the Note may be indexed, adjusted, renewed or renegotiated upon subsequent written agreement of the parties.

FIXED INTEREST RATE

1. The Note provides for a fixed interest rate which shall remain in effect during the term of the Note unless changed to a default interest rate pursuant to the default provisions of the Note.
2. Payments under the Note shall be in annual installments.

RETURN TO:
FARM CREDIT SERVICES
900 KLAMATH AVE.
KLAMATH FALLS, OREGON 97601

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co. the 12th day
of Dec. A.D., 19 89 at 12:56 o'clock P M., and duly recorded in Vol. M89
of Mortgages on Page 23969
By Evelyn Biehn County Clerk
Carline Muelndorfer

FEE \$28.00