

PRUDENTIAL LOAN NO. 7 502 436

K-41888

SUPPLEMENTAL MORTGAGE

THIS SUPPLEMENTAL MORTGAGE, also incorporating the following Recitals, is made this 20th day of November, 1989 by and between HARRIS FARMS, INC., a California corporation and DAVID E. WOOD (hereinafter referred to as "Mortgagor") and THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a New Jersey corporation (hereinafter referred to as "Mortgagee").

WITNESSETH:

WHEREAS, Mortgagor has heretofore mortgaged to Mortgagee certain premises in Klamath County, Oregon, the terms and conditions of which mortgage are set forth in a mortgage ("Mortgage") dated November 10, 1988 and recorded in Klamath County, Oregon on December 20, 1988, as Fee No. 95070, in Book M-88, Page 21523, and Mortgagor has also given Mortgagee a deed of trust ("Deed of Trust") dated November 10, 1988, recorded December 20, 1988, as Document No. 88141175, to secure a Note of even date therewith in the principal sum of TWO MILLION THREE HUNDRED THOUSAND AND NO/100 DOLLARS (\$2,300,000.00) (hereinafter referred to as the "Note"); and

WHEREAS, Mortgagor is desirous of offering to the Mortgagee property not originally mortgaged, as additional security for the Note dated November 10, 1988 and has requested that Mortgagee accept the offer of such additional security and modify its loan by agreement dated November 20, 1989 and recorded March 8, 1990 in the records of Klamath County, Oregon in Book m90, Page 4410 ("Modification Agreement").

WHEREAS, Mortgagor has represented to Mortgagee that it has title to the property being offered as additional and substituted security, which property is located in Klamath County, Oregon and described on Exhibit "A" attached hereto and incorporated herein by this reference and that Mortgagor has full and lawful authority to mortgage and encumber the same; and

WHEREAS, Mortgagor has further represented and warranted to the Mortgagee, as an inducement to the Mortgagee to enter into this Supplemental Mortgage, that the lien to be created in favor of Mortgagee on the premises described on Exhibit "A" shall be a first and best lien against the said property.

NOW, THEREFORE, Mortgagor, to secure the payment of said principal sum and the interest thereon according to the provisions of the Note evidencing the same, as modified by the Modification Agreement, and the performance of Mortgagor's covenants and agreements herein contained, and in consideration of One Dollar, in hand paid, receipt whereof is hereby acknowledged, does hereby grant, bargain, sell, convey and warrant unto Mortgagee, its successors and assigns forever, the real estate situated in Klamath County, Oregon described on Exhibit "A" attached hereto and made a part hereof, which, with the property hereinafter described, is referred to herein as the "premises",

TOGETHER with all improvements, tenements, hereditaments, gas, oil, minerals, easements, fixtures, and appurtenances thereunto belonging or pertaining; all apparatus, equipment and appliances now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, ventilation and refrigeration (whether single units or centrally controlled); all screens, window shades, storm doors and windows, floor coverings, inador beds, awnings, stoves, water heaters, washing and drying appliances; also, if the premises are used or usable for agricultural purposes, hay carriers, tracks and ropes, litter carriers and tracks, water pumps, pump jacks and motors and/or engines, water lines, drinking cups, stanchions, water tanks or troughs; all machinery and other equipment of every nature and kind used or useful in connection with the maintenance and operation of the premises and intended for the use of tenants or occupants; (all of the foregoing whether now on the premises or hereafter erected, installed or placed thereon or therein, or whether physically attached thereto or not, are and shall be deemed a part of said real estate as between the parties hereto and

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all persons claiming by, through or under them, and a portion of the security for said indebtedness; and also all the estate, right, title and interest of the Mortgagor in and to the premises; and

Further, Mortgagor does hereby pledge and assign to Mortgagee, from and after the date hereof, (including any periods of redemption), primarily and on a parity with said real estate and not secondarily, all the rents, issues and profits of the premises and all rents, issues, profits, revenues, royalties, bonuses, rights and benefits due, payable or accruing, and all deposits of money as advance rent or for security, under any and all present and future leases of the premises, (and renewals thereof) and does hereby transfer and assign all such leases to Mortgagee and all rents, renewal rents, and all other sums due and to become due thereunder together with the right, but not the obligation, to collect, receive and receipt for all avails thereof, to apply them to said indebtedness and to demand, sue for and recover the same when due or payable. Mortgagee by acceptance of this supplemental mortgage agrees, as a personal covenant applicable to Mortgagor only, and not as a limitation or condition hereof and not available to any lessee or tenant, that until a default shall be made or an event shall occur, which under the terms hereof shall give to Mortgagee the right to foreclose this supplemental mortgage, Mortgagor may collect, receive and enjoy such rents, issues, profits, revenues, royalties, bonuses, rights, benefits and other sums; provided, however, that Mortgagee shall have and hereby expressly reserves the right and privilege (but assumes no obligation) to demand, collect, sue for, receive and receipt for all rents, profits, revenues, royalties, bonuses, rights and benefits under any and all oil, gas or mineral leases of the Premises or any part hereof, now existing or hereafter made, and to apply the same upon the indebtedness hereby secured, either before or after default hereunder.

TO HAVE AND TO HOLD the premises unto Mortgagee, its successors and assigns, forever, for the purposes and uses herein set forth, free from all rights and benefits under the Homestead Exemption Laws of the State of Oregon, which said rights and benefits Mortgagor does hereby expressly release and waive.

All agreements, covenants, terms, conditions and provisions of the Note and Mortgage are hereby ratified and confirmed and shall be deemed to apply to the premises herein conveyed with the same force and effect as if the premises herein conveyed had been set forth in the Mortgage in addition to that property originally conveyed by the Mortgage to secure the Note. Nothing herein contained shall be deemed to release, limit or otherwise affect any liabilities, obligations or interests of the Mortgagor, under the provisions of the Note or Mortgage. Any default under the terms, provisions and conditions of the Note and Mortgage dated November 10, 1988 as hereinabove referenced shall also constitute a default under this Supplemental Mortgage.

Mortgagor agrees to pay the indebtedness evidenced by the Note and secured by said Mortgage, as herein supplemented, and to perform the covenants and agreements contained in the Mortgage as herein supplemented.

WITNESS the due execution hereof, by Mortgagor, the day and year first above written.

X David E. Wood
David E. Wood

HARRIS FARMS, INC.

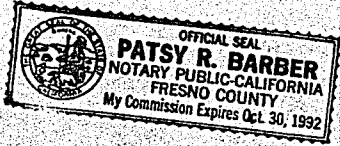
X BY: [Signature]
President

ATTEST: [Signature]
Secretary

STATE OF Calif } SS.:
COUNTY OF Fresno

I, Patsy R Barber, a Notary Public in and for and residing in said County, in the State aforesaid, do hereby certify that DAVID E. WOOD, who is personally known to me to be the same person whose names is subscribed to the foregoing instrument as having executed the same, appeared before me this day in person, and acknowledged that he had signed, sealed and delivered said instrument as his free and voluntary act and deed for the uses and purposes therein expressed, including the waiver and release of all rights, privileges and benefits under any and all Homestead Exemption Laws.

Given under my hand and seal, this 19th day of Feb, 1990

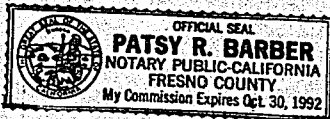


Patsy R Barber
Notary Public

STATE OF Calif } SS.:
COUNTY OF Fresno

I, Patsy R Barber, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Wm C Harris, personally known to me to be the President of HARRIS FARMS, INC., a corporation of the State of California, and Donald Deunne, personally known to me to be the Secretary of said corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, as President and Secretary of said corporation, and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority given by the Board of Directors of said corporation, as their free and voluntary act and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal, this 19th day of Feb, 1990.



Patsy R Barber
Notary Public
Fresno County, Calif

My commission expires _____, 19__.

Prepared by and after recording
return to: C. W. Grisamore, The
Prudential Insurance Company of
America, Midwest Agricultural
Office, 1431 Opus Place, Suite 665,
Downers Grove, Illinois 60515

Exhibit "A" to Supplemental Mortgage

Legal Description:

The Northeast Quarter (NE $\frac{1}{4}$) of Section 36, Township 33 South, Range 6, East of the Willamette Meridian and the East Half of the Northwest Quarter (E $\frac{1}{2}$ NW $\frac{1}{4}$) and Lots 1 and 2 of Section 31, Township 33 South, Range 7 1/2, East of the Willamette Meridian.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co. the 8th day
of March A.D., 19 90 at 3:15 o'clock PM., and duly recorded in Vol. M90,
of Mortgages on Page 4416.

FEE \$23.00

Evelyn Biehn County Clerk

By Pauline Mulken

KTC
Debbie