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UTC 29328-KR Vol. 93 Page 9441

Upon recording return original to: Mountain Title Company, 222 S. 6th St., Klamath Falls, OR
 THIS INDENTURE, Made this 30th day of March, 1993,
 between TRUSTEES OF THE WILLIAM C. NASH AND LOIS DIAN NASH TRUST

as mortgagor, and STEVEN N. BECK and DEBORAH E. BECK, or the survivor thereof
 as mortgagee,

WITNESSETH, That the said mortgagor for and in consideration of the sum of FOUR HUNDRED
 THIRTY THOUSAND AND NO/100 Dollars (\$ 430,000.00) to him
 paid by the said mortgagee, does hereby grant, bargain, sell and convey unto the said mortgagee, his successors
 and assigns, those certain premises situated in the County of Klamath, and State of
 Oregon, and described as follows:

PARCEL 1:

The N1/2 SE1/4 of Section 36, Township 35 South, Range 10 East of
 the Willamette Meridian, Klamath County, Oregon.

PARCEL 2:

NE1/4, W1/2 of Section 36, Township 35 South, Range 10 East of
 the Willamette Meridian, Klamath County, Oregon.

SE1/4 NW1/4, W1/2 SE1/4, E1/2 SW1/4 of Section 30 Township 35
 South, Range 11 East of the Willamette Meridian, Klamath County,
 Oregon.

NW1/4 NE1/4, E1/2 NW1/4, Government Lots 1 and 2 of Section 31,
 Township 35 South, Range 11, East of the Willamette Meridian,
 Klamath County, Oregon.

PARCEL 3:

Government Lots 3 and 4 in Section 1, Township 36 South, Range 10
 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 4:

A tract of land situated in Sections 2 and 3, Township 36 South,
 Range 10 East of the Willamette Meridian, Klamath County, Oregon,
 described as follows:

Section 2: The SW1/4 NE1/4; S1/2 NW1/4; N1/2 SW1/4 and SW1/4 SW1/4
 Section 3: The S1/2 SE1/4 lying Easterly of the Sprague River Highway

And Government Lots 1, 2, 3, and 4, Section 2, Township 36 South, Range 10 East of the
 Willamette Meridian, Klamath County, Oregon.

TOGETHER WITH an undivided 3/8 interest of an easement, being 70 feet in width
 and lying 35 feet on each side of the centerline, beginning at a point on the
 Westerly right of way line of the Sprague River Highway, being 1125 feet Northwesterly
 along the Westerly right of way line of said Highway from its intersection with the
 South line of Section 3, running thence in a Westerly direction to an irrigation pump
 as now located on the ground, for as long as granteepays pro-rata cost to operate
 and maintains said pumps and irrigaton system.

TOGETEHR WITH a 1974 BARRI HT Mobile Home, Oregon License #X121422, Serial
 #70B2013274S5927 which is situate on the real property described herein.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and which may hereafter thereto belong or appertain, and the rents, issues and profits therefrom, and any and all fixtures upon said premises at the time of the execution of this mortgage or at any time during the term of this mortgage;

TO HAVE AND TO HOLD the said premises with the appurtenances unto the said mortgagee, his successors and assigns forever.

THIS CONVEYANCE is intended as a mortgage to secure the payment of the sum of FOUR HUNDRED THIRTY THOUSAND AND NO/100 Dollars (\$ 430,000.00) in accordance with the terms of the certain promissory note of which the following is substantially a true copy, to-wit:

INSTALLMENT NOTE

\$ 430,000.00 Klamath Falls, Oregon March 30, 19 93

I (or if more than one maker) we, jointly and severally, promise to pay to the order of STEVEN E. BECK and DEBORAH E. BECK, or the survivor thereof

at MOUNTAIN TITLE COMPANY or its nominee

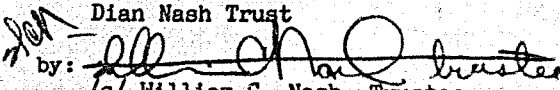
FOUR HUNDRED THIRTY THOUSAND AND NO/100 DOLLARS, with interest thereon at the rate of 8.75**/100 percent per annum from April, 1993 until paid, payable in annual installments of not less than \$ 41,600.00 in any one payment; interest shall be paid annually and ~~payments~~ ^{is included in} the minimum payments above required; the first payment to be made on November 1, 1993, and a like payment on the 1st day of each November thereafter, until the whole sum, principal and interest has been paid; if any of said installments is not so paid, all principal and interest to become immediately due and collectible at the option of the holder of this note. If this note is placed in the hands of an attorney for collection, I/we promise and agree to pay holder's reasonable attorney's fees and collection costs, even though no suit or action is filed hereon; however, if a suit or an action is filed, the amount of such reasonable attorney's fees shall be fixed by the court, or courts in which the suit or action, including any appeal therein, is tried, heard or decided.

The remaining balance, both principal and interest, shall become due and payable in full on or before January 10, 1998.

**This shall be a variable interest rate and shall always be the same as the variable interest rate being charged on the underlying Farm Credit Services Mortgage. The annual installment will increase or decrease to reflect any interest rate changes, but annual installment will never be less than \$41,600.00

THERE SHALL BE NO PREPAYMENTS OR ADDITIONAL PAYMENTS MADE ON THE REMAINING BALANCE, EXCEPT FOR THE SCHEDULED ANNUAL PAYMENTS, WITHOUT THE EXPRESS WRITTEN CONSENT OF THE PAYEES/SELLERS PRIOR TO JANUARY 1, 1997. IN THE EVENT ANY PREPAYMENTS OR ADDITIONAL PAYMENTS ARE MADE PRIOR TO JANUARY 1, 1997 IT SHALL CONSTITUTE DEFAULT OF THIS NOTE SECURED BY A MORTGAGE OF EVEN DATE.

Trustees of the William C. Nash and Lois Dian Nash Trust

by: 
/s/ William C. Nash, Trustee
by: /s/ Lois Dian Nash, Trustee

The date of maturity of the debt secured by this mortgage is the date on which the last scheduled principal payment becomes due, to-wit: January 10, 19 98.

COPIES

The mortgagor warrants that the proceeds of the loan represented by the above described note and this mortgage are:

- (a)* primarily for mortgagor's personal, family or household purposes (see Important Notice below),
- (b) for an organization or (even if mortgagor is a natural person) are for business or commercial purposes.

This indenture is further conditioned upon the faithful observance by the mortgagor of the following covenants hereby expressly entered into by the mortgagor, to-wit:

That mortgagor is lawfully seized of said premises, and now has a valid and unincumbered fee simple title thereto, except Mortgage recorded in Volume M84, page 18294, Microfilm Records of Klamath County, Oregon in favor of Federal Land Bank, as Mortgagee; Mortgage recorded in Volume M90, page 14458, Microfilm Records of Klamath County, Oregon in favor of Farm Credit Bank of Spokane, a corporation; and Financing Statement recorded in Volume M90, page 14463, Microfilm Records of Klamath County, Oregon in favor of Farm Credit Bank of Spokane which the Mortgagors herein do not agree to assume nor pay and the Mortgagee herein agrees to hold the Mortgagors herein harmless therefrom

THIS MORTGAGE IS AN ALL INCLUSIVE MORTGAGE AND IS BEING RECORDED JUNIOR TO A FIRST AND SECOND MORTGAGE IN FAVOR OF FARM CREDIT BANK OF SPOKANE, AS MORTGAGEE. SEE EXHIBIT "A" ATTACHED.

and that he will warrant and defend the same against the claims and demands of all persons whomsoever;

That he will pay the said promissory note and all installments of interest thereon promptly as the same become due, according to the tenor of said note;

That so long as this mortgage shall remain in force he will pay all taxes, assessments, and other charges of every nature which may be levied or assessed upon or against the said premises when due and payable, according to law, and before the same become delinquent, and will also pay all taxes which may be levied or assessed on this mortgage or the debt thereby secured, and will promptly pay and satisfy any mechanics' liens or other incumbrances that might by operation of law or otherwise become a lien upon the mortgaged premises superior to the lien of this mortgage;

That he will keep all the improvements erected on said premises in good order and repair and will not commit or suffer any waste of the premises hereby mortgaged. At the request of the mortgagee, the mortgagor shall join with the mortgagee in executing one or more financing statements pursuant to the Uniform Commercial Code, in form satisfactory to the mortgagee and will pay for filing the same in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the mortgagee.

That so long as this mortgage shall remain in force he will keep the buildings now erected, or any which may hereafter be erected on said premises insured against loss or damage by fire, with extended coverage, to the extent of \$ _____ in some company or companies acceptable to said mortgagee and for the benefit of both parties hereto as their interests may appear, and will deliver all the policies and renewals thereof to said mortgagee.

NOW, THEREFORE, if the said mortgagor shall pay said promissory note and shall fully satisfy and comply with the covenants hereinbefore set forth, then this conveyance shall be void, but otherwise to remain in full force and virtue as a mortgage to secure the payment of said promissory note in accordance with the terms thereof and the performance of the covenants and agreements herein contained; it being agreed that any failure to make any of the payments provided for in said note or this mortgage when the same shall become due or payable, or to perform any agreement herein contained, shall give to the mortgagee the option to declare the whole amount due on said note, or unpaid thereon or on this mortgage, at once due and payable and this mortgage by reason thereof may be foreclosed at any time thereafter. And if the said mortgagor shall fail to pay any taxes or other charges or any lien or insurance premium as herein provided to be done, the mortgagee shall have the option to pay the same and any payment so made shall be added to and become a part of the debt secured by this mortgage, and draw interest at the rate of ten per cent per annum, without waiver, however, of any right arising from breach of any of the covenants herein.

In case a complaint is filed in a suit brought to foreclose this mortgage, the court shall, upon motion of the holder of the mortgage, without respect to the condition of the property herein described, appoint a receiver to collect the rents and profits arising out of said premises, and apply such rents and profits to the payment and satisfaction of the amount due under this mortgage, first deducting all proper charges and expenses of the receivership.

* IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable and if the mortgagee is a creditor, as such word is defined in the Truth-in-Lending Act and Regulation Z, the mortgagee MUST comply with the Act and Regulation by making required disclosures; for this purpose, use Stevens-Ness Form No. 1319 or equivalent.

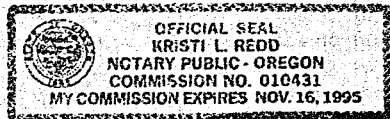
In the event of any suit or action being instituted to foreclose this mortgage, the losing party agrees to pay such sum as the trial court may adjudge reasonable as attorney's fees to be allowed the prevailing party in such suit or action and in the event of any appeal, the losing party agrees to pay such sum as the appellate court shall adjudge reasonable as the prevailing party's attorney's fees on such appeal; in any event the mortgagor agrees to pay all reasonable costs incurred by the mortgagee for title reports and title search, all such sums to be secured by the lien of this mortgage and included in the decree of foreclosure.

In construing this mortgage, it is understood that the mortgagor or mortgagee may be more than one person; that if the context so requires, the singular shall be taken to mean and include the plural, the masculine pronoun shall mean the feminine and the neuter, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

In Witness Whereof, the mortgagor has executed this instrument this 6th day of April 19 93; if a corporate mortgagor, it has caused its name to be signed and seal affixed by its officers, duly authorized thereto by order of its board of directors.

TRUSTEES OF THE WILLIAM C. NASH AND
LOIS DIAN NASH TRUST

by: [Signature] Trustee
William C. Nash, Trustee
by: [Signature] Trustee
Lois Dian Nash, Trustee



(If the signer of the above is a corporation,
use the form of acknowledgment opposite.)

STATE OF OREGON,

County of Klamath

} ss.

This instrument was acknowledged before me on
April 6, 19 93, by

WILLIAM C. NASH and LOIS DIAN NASH,
Trustees of the WILLIAM C. NASH AND
LOIS DIAN NASH TRUST

[Signature]
Notary Public for Oregon

(SEAL)

My commission expires: 11/16/95

STATE OF OREGON,

County of _____

} ss.

This instrument was acknowledged before me on

19____, by _____

as _____

of _____

Notary Public for Oregon

My commission expires:

(SEAL)

MORTGAGE

WILLIAM C. NASH AND LOIS DIAN NASH TRUST
P.O. Box 65
Sprague River, OR 97639

TO

STEVEN N. BECK & DEBORAH E. BECK
7550 Carrisa Hwy.
Santa Margarita, CA 93453

AFTER RECORDING RETURN TO

MOUNTAIN TITLE COMPANY OF KLAMATH COUNTY
222 S SIXTH STREET
KLAMATH FALLS OR 97601

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON,

County of _____

} ss.

I certify that the within instrument was received for record on the _____ day of _____, 19____, at _____ o'clock _____ M., and recorded in book _____ reel _____ volume No. _____ on page _____ or as fee/file/instrument/microfilm/reception No. _____ Record of Mortgages of said County.

Witness my hand and seal of County affixed.

NAME

TITLE

By _____ Deputy

EXHIBIT "A"

This Mortgage is an All Inclusive Mortgage and is subordinate to the Mortgage now of record dated September 28, 1984, recorded October 24, 1984 in Volume M84, page 18294, Microfilm Records of Klamath County, Oregon in favor of Federal Land Bank; Mortgage now of record dated June 14, 1990, recorded July 20, 1984 in Volume M84, page 14458, Microfilm Records of Klamath County, Oregon in favor of Farm Credit Bank of Spokane, a corporation; and Financing Statement now of record in Volume M90, page 14463, Microfilm Records of Klamath County, Oregon in favor of Farm Credit Bank of Spokane successor in merger to the Federal Land Bank of Spokane, as Secured party, which secures the payment of a Note therein mentioned.

Steven N. Beck and Deborah E. Beck, or the survivor thereof, Mortgagee herein agrees to pay, when due, all payments due upon the said Promissory Note in favor of Federal Land Bank and Farm Credit Bank of Spokane, and will save the Mortgagors herein, Trustees of the William C. Nash and Lois Dian Nash Trust, harmless therefrom.

Should the said Mortgagees herein default in making any payments due upon said prior Note and Mortgages, Mortgagor herein may make said delinquent payments and any sums so paid by Mortgagor herein shall then be credited upon the sums next to become due upon the Note secured by these Mortgages and financing statement.

Jan
Edw

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Company the 30th day
of April A.D., 19 93 at 3:30 o'clock P.M., and duly recorded in Vol. M93
of Mortgages on Page 9441

FEE \$30.00

Evelyn Biehn County Clerk

By *Deborah E. Beck*