Position 5

REA. , ESTATE VORTGAGE FOR OREGON

residing in Klauati) called "Borrower," and the United States Department of Agriculture, whose a ailing address is L2185 Hay 39, Klauath 18 and the United States Department of Agriculture, whose a ailing address is L2185 Hay 39, Klauath 18 all 18 and the Convention of Agriculture, whose a ailing address is L2455 Pat Ergen St., Suite #1 Klauath 28 Borrower is indebt of the Government of Borrower is indebt of the Government of Island address is used to the order of the Government and virus cocleration of the Government upon and the Convention of	THIS MORTGAGE		23/1	A
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States Department of Agriculture, whose 1 ailing address 5 KLamath Ralls WHEREAS Borrower is indebted 1 the Government 1 as evidenced by one or more promissory note(s) or assumption greement(s) or any shared appreciation or reapture agree 1 at, herein called 'more,' which has been executed by Borrower, is any default by Borrower, and is described a follows: Late of Instrument Late of Instrument Late of Instrument And the more evidences a loan to favor address to the consolidated Farms and First administration of the more evidences as a not provided in the Farmers Home Administration and the more evidences a loan to follows: (The interest rate for limited resoure 1 and the more evidences as a not provided in the Farmers Home Administration and the more evidences as loan to follows: (The interest rate for limited resoure 1 and the more evidences as loan to follows: (The interest rate for limited resoure 1 and the more evidences as loan to follows: (The interest rate for limited resoure 1 and the more evidences as loan to follows: (The interest rate for limited resoure 1 and the more evidences as loan to follows: (The interest rate for limited resoure 1 and the more evidences as loan to follows: (The interest rate for limited resoure 1 and the more evidences as loan to follows: (The interest rate for limited resoure 1 and the more evidences as loan to follows: (The interest rate for limited resoure 1 and the more evidences as loan to follows: (The interest rate for limited resoure 1 and the more evidences as loan to follows: (The interest rate for limited resoure 1 and the more evidences as loan to follows: (The interest rate for limited resoure 1 and the more evidences as loan to follows: (The interest rate for limited resoure 1 and the more evidences as loan to follows: (The interest rate for limited resoure 1 and the more evidences as loan to follows: (The interest rate for limited resoure 1 and the more evidences as loan to follows: (The interest rate for limited resoure 1 and the more ev	residing in			
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Percel 1: A tract of land situated in Section 1, Toy ship 40 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, described as follows:

Baginning at the Southeast corner of the Et SW of Section 1; thence North along the North-South centerline of said section to the Southerly right of way line of the Southern Pacific Rilroad Company right of way; thence Northwest flong said right of way line to the West Line of the SE NW of said section; thence South to the Northeisterly right of way line of the South Branch of the "C" Canal as now located; thence South heasterly along said right of way to the South line of said section; thence list to the point of beginning. EXCEPTING THEREFROM, that postion lying within the boundaries of the Lower together with all rights (including the right to nin) g products, gr. (3), oil gas, coal or other minerals), interests, easements, hereafter and appropriate and appropriate the party in a party organism with an rights (including one right to min) g prictices, given and gas, coar or other minerals), microsis, easthering, thereditainents and apportenances thereunto belonging, the rents, iss as, and profits thereof and revenues and income therefrom from the profits and apportenances thereunto belonging, the rents, iss as, and profits thereof and revenues and income therefrom

nercontainents and apportenances mercunio benengia), the rents, iss a s, and proms mercon and revenues and mercunic direction of the land, all improvements and personal mercuning any Government payments continger to an agreement to estrict the use of the land), all improvements and personal mercunic directions and the state of the land of t (including any Government payments continger) of an agreement is estrict the use of the analy, an improvements and personal property now or later attached thereto or reason ibly recessary to the 1 se thereof, including, but not limited to, urity alternational recessary to the 1 se thereof, including, but not limited to, urity alternational recessary to the 1 se thereof, including, but not limited to, urity alternational recessary to the 1 se thereof, including, but not limited to, urity alternational recessary to the 1 se thereof. property now or rater addened direction or reason tory recessary to the 1 se thereor, including, but not timited to, irrigation systems, including pumps, motors, electrical panels, pipe, .pri 1 Jers, and other: Cessories pertaining the reto; milking, milk handling, and milk the property and the recessary to the 1 second panels. storage systems, and other accessories pertaining, then to, manure hand any systems; livestock feeding systems; ranges, refragerators. storage systems, and other accessories penanning uncommanded in a hole or in part with four funds, whether or not attached to the special state of the distribution of the special state of the specia ciones wasners, ciones divers, or carpeting pur have dor maniced in a note of in part with four times, whether or no attended to the real est ite; all water, white rights, water certificallies, a stern permits, wall callounents, and water stock pertaining thereto, no matter how reactine; an water, wherrights, water certificalles, a net permits, wait amountents, and water stock perfaming thereo, its framer now evidenced; and all payments at any time owing 1) But rower by virtue a large state, lease, transfer, conveyance, or condemnation of any evidenced; and all payments at any time owing 1) But rower by virtue a large state of the state of NADDITION to its other rights, the Governs ent is hereby granted a security interest in the above-described property pursuant TO HAVE AND TO HOLD the propert (un) the Government and its assigns forever in fee simple part thereof or interest therein all of which are nere a called "the projects,"

BORROWER for Borrower's self. Bor ow: 's heirs, executo s, administrators, successors and assigns WARRANTS THE

TITLE to the projecty to the Government against all lawful clairs and demands what over except any liens, encumbrances, The to the property to the Government gain; all lawful claims and demands what over except any ner easements, reservations, or conveyances specified hereinabove, and COVENANTS AND AGREES as follows: to ORS 79.1010 - 79 5070.

(1) To pay promptly when due any it detail does to the Gramment hereby secured and to indemnify and save harmless the (1) To pay promptly when due any it detrodness to the Octy imment hereby secured and to indemnity and save narmiess the Givernment against any loss under its insurance payment of the rote by reason of any default by Borrower. At all times when the payment against any loss under its insurance payment of the rote by reason of any default by Borrower. At all times when the note is held by an it sured holder. Borrower that on the payments on the note to the Government, as collection agent for the payment. To pay to the Government such fees and other charge; is may now or hereafte; be required by regulations of the Farmers

the tolder. Ho ne Administration.

insurance premiums and other charges up 11 th northaged premiums.

at vances shall be ar interest at the rate bor to by the note which has the highest interest ate.

the note or any indebtedness to the Government as secured here with any order the Government determines.

such payments.

minerals except as may be necessary for () linar, domestic jurposes.

(3) If recurred by the Government, (3 m), is additional more thly payments of 1/12 of the estimated annual taxes, assessments, premiums and other charges up to the normalized premiums and other charges up to the normalized distribution of the Government. The Government is any time pay any other amounts including which are not to the note is instructed by the Government. Whether or not the note is insured by the Government, the Government may; than time pay any other amounts including advance for payment of prior and/or junior, iether required herein to be paid by Borrower and not paid by Borrower when due, as well as any costs and expenses for the preservation, in rotection, or en a recement of this lien, as advances for Borrower's account. All such as any costs and expenses for the preservation, in rotection, or en a recement of this lien, as advances for Borrower's account. All such as any costs and expenses that hear integral at the rate borrie by the note which has the highest integral.

Res sharror at interest at the rate our le by the note which it is the highest interest ate.

(5) All relyances by the Government, it studing advances or payment of prior are d/or junior liens, in addition to any advances and by the forms of this rate of the n quired by the terms of the note, as described by this instrument to with interest shall be immediately due and payable by Borrower to the Government without demand at the place designated in the latest note and shall be secured hereby. No such advance by the Covernment shall relieve Borrower from oreast of Borrower's covernment to pay. Any phyment made by Borrower may be applied on

To pay when due all taxes, bons, a degricults, encur if rances, and assessments lawfully attaching to or assessed against the property, including all charges and assessments in connection, with water, water rights, and water stock pertaining to or reasonably property, incruding an charges and assessment is in connection, with water, water rights, and water stock pertaining to or reasonably mecessary to the use of the real property (1) set (1) ed above, and (1) imply deliver to the Government without demand receipts evidencing and bounders.

payments.

(8) To keep the property insured as $\frac{1}{2}$ quired by and $\frac{1}{2}$ ler insurance policies approved by the Government and, at its request,

To maintain improvements in good repair and not be repairs required by the Government; operate the property in a good (2) To mannant improvements in § 1 ou repair and 11 a c repairs required by the Government; operate the property in a good and husbane manife manner; comply 3 ith 31 ch farm conservation practices and farm and home management plants as the Government from time to amount of the conservation of the conserva ano nusoane manure manner; compay a uncal en factor conservation practices and rand and none management plans as the coverament from time to tame may prescribe; and to the abandon the projectly, or cause or permit waste, lessening or impairment of the security and bandon of a about the coverage of the from time training may preserve; and rorral abandon the property, or cause or permit waste, ressening or impairment of the security covered hereby, or, without the writter covered to the Govar ment, cut, remove, or lease any timber, gravel, oil, gas, coal, or other

(10) To comply with an laws, or a lances, and regulations affecting the projects.
(11) To pay or reimburse the Gov: mment for expenses reasonably necessary or incidental to the protection of the lien and including a formation of the complete of paylot the enforcement. For accompliance of behavioral and of the protection of the lien and (11) to pay or reimourse the (10x) inficilities expenses reasonably necessity or incluentar to the projection of the net and priority here of and to the enforcement of or necompliance via hither provisions here of and of the note and any supplementary agreement of the provisions here of and of the note and any supplementary agreement. whether before or after default), including but not limited to sosts of evidence of title to and survey of the property, costs of recording the good other instances. twhemer reduction and decreasely, measures but not mined to sust of evidence of the color and survey of the property. Costs of recording this and other instruments, attorneys feet trustees' feet, to Administration constitution neither the respective provides the theorem. nd other instruments, automeys (iee) crustees (iees, c) in costs, and expenses of advertising, senting, of conveying the property (12). Except as otherwise provided in the Farmers Hot (ie Administration regulations, neither the property nor any portion thereof or interest therein shall be leased, as igner, sold, transferr x, or encumbered, voluntarily or otherwise, without the written consent of the Government. The Government shall it we the sole and the clusive rights as more gaged hereinunder, including but not limited to the sole and the control of the control the Government. The Government's fair (1) we the sole and (1) clusive rights as more gaged hereinunder, including but not finited to the power to grant consents, partial releases, subordinations, and satisfaction, and no insured holder shall have any right, title or interest

Administration and the applicable regulation is

agreements contained herein or in any supplemen ary agreement as being performed.

proclude the exercise of any such right or remed

agency in connect on with such loan.

or by law, and (e) enforce any and all other rights and remedies provided herein or by present or future law.

any debts of Borrover owing to or insured by the Government, it he order prescribed above.

consummate, of descent, dower, and curtess

whition, sex, national origin, age, handicap, or a milial status.

commodity, as further explained in 7 CFR Part 1 40. Subpart G 1 xhibit M.

not inconsistent with the express provisions here of,

not affect other provisions or applications of the astrument which can be given effect without the invalid provision or application, and to that end the provisions hereof are declared to e severable.

in or to the lien or any benefits hereof. All ren s, poofits, and income, including any amounts arising out of an agreement by which the Born over substantially reduces its use of the property in return for payments, are hereby assigned to the Government for the purpose of di charging the debt hereby secured. Perm ssion is hereby giver to the Borrower, so long as no default exists hereunder, to collect such rents, profits and income for use in accordance with the provisions of the borrower's agreement with Farmers Home

(13) At all reasonable times the Government and its agents may inspect the property to ascertain whether the covenants and

(14) This instrument secures to the Cover- nent the repayr 1 nt of the debt evidenced by the note, including all adjustments. renervals, extensions or modifications in the interest rate, payment erms or balance due on the loan; the payment of all other sums, with interest, advanced under paragraph 4; and the performance on sorrower's covenants and agreements under this instrument and the note. The Government may (a) adjust the interest rate, payme it terms or balance due on the loan, (b) increase the mortgage by an arrount equal to deferred interest on the outstar congiprincipal basince. (c) extend or defer the maturity of, and renew and reschedule the payments on, the debt evidenced by the rote many indebtedness to the Government secured by this instrument, (d) release any party who is liable under the note or for the debt fix in liability to the Bovernment, (e) release portions of the property and subordinate its lien, and (f) warv : any other of its rights under his instrument. Any and all this can are will be done without affecting the lien or the priority of this instrument or Borrower's or air other party's Lavillity to the Government for payment of the note or debt secured by this instrument inless the Government saccoth, rwise in writing. HOWEVER, any forbutarance by the Government, whether once or of en-in exercising any right or remedy under his instrument, or otherwise afforded by applicable law, shall not be a waiver of or

(15) If at any time it shall appear to the Government that Enrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative a private credit source, at reasonable rates and terms for loans for similar purposes and periods of time, Borrovier Aill, upon the Gevernments's request, at ply for and accept such loan in sufficient anio int to pay the rote and any indebtedness secure Thereby and to be y for any stock necessary to be purchased in a cooperative lending

(16) Default hereunder shall constitute detailt under any of a rreal estate of crop or shattel security instrument held or insured by the Government and executed or assumed by B rower, and defect under any such other security instrument shall constitute default

(17) SHOULD DEFAULT occur in the artformatice or a charge of any obligation in this instrument or secured by this instrument, or should any one of the parties named as Borrower die cobe declared an incompetent, a bankrupt, or an insolvent, or make an a signment for the benefit of creditors, th: Go ernment, at its option, with or without notice, may: (a) declare the entire amount unperid under the note and any indebtedness of the Government has by secured immediately due and payable, (b) for the account of Bon ower incur and pay reasonable expenses for it pair or mainten it be of and take possession of, operate or rent the property, (c) upon application by it and production of this instrumer without other y idence and without notice of hearing of said application, have a receiver appointed for the property, with the usual powers of receivers in like cases, (d) foreclose this instrument as provided herein

(18) The proceeds of foreclosure sale shall be applied in the following order to the payment of: (a) costs and expenses incident to coforcing or complying with the provisions he eof. (b) any print liens required by law or a competent court to be so paid. (c) the debt evidenced by the note and all indebted ress to the Government secured hereby, (d) inferior liens of record required by law or a competent court to be so paid, (e) at the Government's option, any other indebtedness of Borrower owing to or insured by the Government, and (1) any balance to Borrower. A foreclosure or of ter sale of all or any part of the property, the Government and its agents may bid and purchase as a stranger and ruly pay the Government's share of the purchase price by crediting such amount on

(19). Borrower agrees that the Governmen will not be bound by any present or future laws, (a) providing for valuation, appraisal, hon estead or exemption of the property. (b) probabiling mainten role of an action for a deficiency judgement or limiting the amount thereof or the time, within which such action may be brought, (e) prescribing any other statute of limitations, (d) allowing any right of redemption or assession following any large laster, or (c) imiting the conditions which the Government may by regulation rapose, including the interest rate it may charge as a condition of pproving a transfer of the property to a new Borrower. Borrower expressly waives the benefit of any such that haw. Borrower hareby relinquishes, whives, and conveys all rights, inchoate or

(20) If any part of the loan for which this instrument is given shall be used to finance the purchase, construction or repair of property to be used as an owner-occupied dwelling therein called "the dwelling" and if I orrower intends to sell or rent the dwelling and has obtained the Government's consent to do to (a) neither Bort ower nor anyone authorized to act for Borrower will, after receipt of a bona fide offer refuse to negotiate for the salt or rental of the civelling or will otherwise make unavailable or deny the dwelling to anyone because of race, color, religion, so that onal origin, age, andicap, or familial status, and (b) Borrower recognizes as illegal and hereby disclaims, and will not comply with of attempt to enforce any restrictive cover ants on the dwelling relating to race, color,

(21) Borrower further agrees that the oar (3) secured by this instrument will be in default should any loan proceeds be used for a purpose that will contribute to excessive crosion of highly erodic eland or to the conversion of wetlands to produce an agricultural

(22) This instrument shall be subject to the resent regulation of the Farmers Home Administration, and to its future regulations

(23) Notices given hereunder shall be sen by certified mai antless otherwise required by law, addressed, unless and until some other address is designated in a notice so give v in the case of the Government to Farmers Home Administration, United States Department of Agriculture, at the mailing ac dress mentioned above, and in the case of Borrower at the address shown in the Farmers Home Administration Finance Office records (vaich normally vil be the same as the post office address shown above). (24) If any provision of this instrument or application here it to any person or circumstances is held invalid, such invalidity will

	19_94,
28th	te of Decembe: 19 94 119 Ir dividual(s)
EXFCUTED this	
Partnership or Corporation	- The the the the
(Name of Borrower)	Michael A. McGrevsky
Ву:	Of CHAFT A. MESSIC
8y:	
Attest: [Corporate Seal]	TO P INDIVIDUALS
ACKNOWLI	EDGMENT FOR INDIVIDUALS
,	
STATE OF OREGON COUNTY OF Klamath	28th day of December.
	If i d before me une
The foregoing instrument was active 19 94 by Michael A. Negrave	(Name of pressons acknowledging)
	were the State of Oregon
Notary Sendial Seal Riviena A Chase Riviena A Chase	V. Commission expires 3/1.7/97
NOTATY STEINA A CHASE RIVIENA A CHASE NOTIFY PUBLICOREGON NOTIFY PUBLICOREGON COLARISSION NO. 022992 COLARISSION NO. 022992	V. Commission expires
COM MASSION NO. 022992 COM MASSION EXPRES LIME 17, 1991	VI.EDGMENT FOR A PARTNERSHIP
ACKING	
ss ss	day of
STATE OF OREGON COUNTY OF The foregoing instrument was acknowle	a particising
The foregoing instrument was accounted	(Plame of parmership)
The foregoing instrument was a serious of acknowled in	(Organia
[Notary Seal]	Notary Public of an 1 for the State of Oregon
	My Commission expires
	OWLEDGME VT FOR A CORPORATION
ACKN	OWLEDGME
STATE OF OREGON COUNTY OF	ck towledged befine this
The foregoing instrument was ac	(Title of Corporate Officer)
19 by(Name of Col	(Title of Corporate Officer) corporation, on behalf of the corporation. (Si te of Incorporation) Public of and for the State of Oregon
	(5 v te of Incorporation)
of(Name of Corporation)	- Some of Oregon
[Notary Seal]	Votoro Public 1
1,101-20	My Comnu sion expires
	My Comitto Salar Pagas P
 	

STATE C	OF OREGON: COUNTY OF KLAI	IATH: ss.
Filed for	record at request of	Fa: mers Home Administration the 3rd day
of	Jan A.D. 19.95	Mortgages on Page 116
FEE	\$30.00	Bernethe G. Letsch County Clerk By Audin Mullenslave
rec		

Return: Farmers Home Administration 2455 Patterson #1
Klamath Falls: 01. 97603