

EC

NO PART OF ANY STEVENS-NESS FORM MAY BE REPRODUCED IN ANY FORM OR BY ANY ELECTRONIC OR MECHANICAL MEANS.



MTC78095

MORTGAGE

2007-001274

Klamath County, Oregon



00013587200700012740050054

01/24/2007 03:19:57 PM

Fee: \$41.00

Dennis R. Hynes, Trustee of the J & J
Family Trust

13131 Hwy 39, Klamath Falls, OR 97603

Mortgagor's Name and Address

Nebraska State Bank

P.O. Box 260

Oshkosh, NE 69154

Mortgagee's Name and Address

After recording, return to (Name, Address, Zip):

Jim Levick

Nebraska State Bank

P.O. Box 260

Oshkosh, NE 69154

THIS MORTGAGE, Dated January 19, 2007
between Dennis R. Hynes, Trustee of the J & J Family Trustas mortgagor, and Nebraska State Bank, Oshkosh, NE 69154

, as mortgagee,

WITNESSETH, That the mortgagor in consideration of _____
Fifty Thousand and 00/100^{ths} _____ Dollars (\$ 50,000.00)paid to the mortgagor by the mortgagee, does hereby grant, bargain, sell and convey unto the mortgagee, and the mortgagee's personal representatives, successors and assigns, that real property situated in the County of Klamath
State of Oregon, described as follows:

See attached Exhibit "A"

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any way appertaining, and which may hereafter thereto belong or appertain, and the rents, issues and profits therefrom, and any and all fixtures upon the 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 premises with the appurtenances unto the mortgagee and the mortgagee's personal representative, successors and assigns forever.

This mortgage is intended to secure the payment of one (or more) promissory note(s), in substantially the following form(s):

<u>Date of Note:</u>	<u>Maker of Note:</u>	<u>Original Principal Amount:</u>
January 19, 2007	Dennis R. Hynes	\$50,000.00

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: December 15, 2011.

EXHIBIT "A"
LEGAL DESCRIPTION

A tract of land situated in Sections 20, 21, 28, and 29, all in Township 40 South, Range 10 East, Willamette Meridian, Klamath County, Oregon, described as follows:

Beginning at the point of intersection of the Northeasterly right of way line of State Highway No. 39 (Merrill Highway) and the section line common to said Section 28 and 29; thence Northwesterly along said Northeasterly right of way line to the West line of the SE1/4 SE1/4 of said Section 20; thence Northerly along the West line of the SE1/4 SE1/4 of said Section 20 to the centerline of the U.S.B.R. No. 5 drain; thence Easterly along said drain to the Section line common to said Sections 20 and 21; thence East to the East line of the SW1/4 SW1/4 of said Section 21; thence Southerly along the East line of the SW1/4 SW1/4 of said Section 21 and the East line of the W1/2 NW1/4 of said Section 28 to the Southwesterly right of way line of the Southern Pacific Railroad; thence Southeasterly along said railroad right of way line to the South line of the NW1/4 of said Section 28; thence Westerly along the South line of the said NW1/4 to the Southwest corner of the NW1/4 of said Section 28; thence Northerly along the West line of the NW1/4 of said Section 28 to the Point of Beginning. The above described tract of land includes the right of Fred Hess, John Hess and Paul Hess, their heirs or assigns to use and maintain the existing road beginning at the intersection of Highway 39 and the line common to Sections 28 and 29, Township 40 South, Range 10 East, Willamette Meridian, running thence Northerly and Easterly to the NE1/4 SW1/4 of said Section 21.

EXCEPTING THEREFROM all that portion of the W 1/2 NW 1/4 of said Section 28 lying Easterly of the centerline of the USBR 5-H Drain; AND EXCEPTING THEREFROM all that portion of the W 1/2 NW 1/4 of said Section 28 lying Southwesterly of the Northerly line of State Hwy No. 39 (Klamath Falls – Malin Highway).

AND EXCEPTING THEREFROM all that portion of the SW 1/4 SW 1/4 of Section 21 lying Northeasterly and Easterly of the USBR 5-H Drain.

AND EXCEPTING THEREFROM any portion thereof in the SW 1/4 SW 1/4 of Section 21 lying within the boundaries of the USBR No. 5 Drain.

AND EXCEPTING THEREFROM any portions of the above described property lying within the boundaries of State Hwy 39, Wong Road, Chin Road and Buesing Road.

The mortgage warrants that the proceeds of the loan represented by the note(s) and this mortgage are:
(a) ~~for the personal, family, household or other noncommercial purposes (see Important Notice below)~~, or
(b) for an organization or (even if mortgage is a natural person) for business or commercial purposes.

This mortgage is further conditioned upon the faithful observance by the mortgagee of the following covenants hereby expressly entered into by the mortgagee, to-wit:
Mortgagee is lawfully seized of the premises and now has a valid and unencumbered fee simple title thereto, except as follows (if no exceptions, so state):

and mortgagee will warrant and defend the same against the claims and demands of all persons whomsoever.

Mortgagee will pay the promissory note(s) and all installments of interest thereon promptly as the same become due, according to the tenor of the note(s).

So long as this mortgage remains in force, mortgagee will pay all taxes, assessments, and other charges of every nature levied or assessed upon or against the premises when due and payable, according to law, and before the same becomes delinquent, and will also pay all taxes levied or assessed on this mortgage or the debt thereby secured, and will promptly pay and satisfy any mechanics' liens or other encumbrances that, by operation of law or otherwise, become a lien upon the mortgaged premises superior to the lien of this mortgage.

Mortgagee will keep the improvements erected on the premises in good order and repair and will not commit or suffer any waste of the premises. At the request of the mortgagee, the mortgagee 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(s), as well as the cost of any lien search made by filing officers or searching agencies as may be deemed desirable by the mortgagee.

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

WARNING: Unless mortgagee provides mortgagee with evidence of insurance coverage as required by the contract or loan agreement between them, mortgagee may purchase insurance at mortgagee's expense to protect mortgagee's interest. This insurance may, but need not, also protect mortgagee's interest. If the collateral becomes damaged, the coverage purchased by mortgagee may not pay any claim made by or against mortgagee. Mortgagee may later cancel the coverage by providing evidence that mortgagee has obtained property coverage elsewhere. Mortgagee is responsible for the cost of any insurance coverage purchased by mortgagee, which cost may be added to mortgagee's contract or loan balance. If it is so added, the interest rate on the underlying contract or loan will apply to it. The effective date of coverage may be the date mortgagee's prior coverage lapsed or the date mortgagee failed to provide proof of coverage. The coverage mortgagee purchases may be considerably more expensive than insurance mortgagee might otherwise obtain alone and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

NOW THEREFORE, if the mortgagee shall pay the promissory note(s) and shall fully satisfy and comply with the covenants hereinbefore set forth, then this conveyance shall be void, but otherwise it shall remain in full force and virtue as a mortgage to secure the payment of the promissory note(s) in accordance with the terms thereof and the performance of the covenants and agreements herein contained. Any failure to make any of the payments provided for in the note(s) 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 the note(s), 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. If the mortgagee 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. Any payment so made shall be added to and become a part of the debt secured by this mortgage, and draw interest at the same rate as the note(s) without waiver, however, of any right arising from breach of any of the covenants herein. Time is of the essence with respect to all sums due hereunder, and the promissory note(s).

In case a suit or action is brought to foreclose this mortgage, the court may, upon motion of the holder of the mortgage, without respect to the condition of the property, appoint a receiver to collect the rents and profits arising out of the premises and direct the receiver to 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, including a reasonable charge for attorney fees.

In the event any suit or action to foreclose this mortgage is commenced, the losing party therein agrees to pay the attorney fees, costs and disbursements of the prevailing party, including statutory costs and disbursements and costs of title report(s) and/or title search. If any appeal is taken from any judgment or decree entered pursuant to such suit or action, the losing party on appeal therein promises to pay the attorney fees, costs and disbursements, including all statutory costs and disbursements, of the prevailing party. To the extent permitted by law, all such sums shall be and are secured by the lien of this mortgage and shall be included in the judgment or decree of foreclosure.

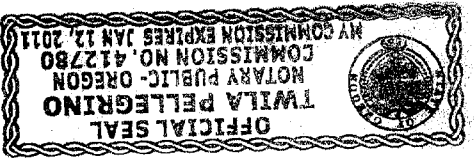
Each and all of the covenants and agreements herein contained shall apply to, inure to the benefit of, and bind the personal representatives, successors and/or assigns of the mortgagee and of the mortgagee respectively.

In construing this mortgage and related note(s), it is understood that the mortgagee or mortgagee may be more than one person. If the context so requires, the singular shall be taken to mean and include the plural. 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 mortgagee has executed this instrument the day and year first above written. If the mortgagee is a corporation, it has caused its name to be signed and its seal, if any, affixed by an officer or other person duly authorized to do so by order of its board of directors.

[Signature]
Dennis R. Hynes, Trustee of the J & J Family Trust

STATE OF OREGON, County of Klamath ss. January 24, 2007
by January 24, 2007
This instrument was acknowledged before me on
by January 24, 2007
Dennis R. Hynes
Trustee
of the J & J Family Trust



[Signature]
Notary Public for Oregon
My commission expires 1-12-2011