

NTL 82832-KR

2008-013114

Klamath County, Oregon



00053522200800131140070075

09/19/2008 03:28:24 PM

Fee: \$51.00



after recording return to:  
**COFINA FINANCIAL**

Knowing what's possible.

PO Box 64089

St. Paul, MN 55164-0089

# REAL ESTATE MORTGAGE

THIS MORTGAGE, made and executed this 8<sup>th</sup> day of September, 2008, by:

## GRANGE COOPERATIVE SUPPLY ASSOCIATION

a cooperative corporation, organized under the laws of the State of Oregon, Mortgagor, whose post office address is Post Office Box 3637, Central Point, Oregon 97502, to Cofina Financial, LLC, a Minnesota limited liability company, whose post office address is Post Office Box 64089, St. Paul, Minnesota 55164-0089. For the purpose of securing payment of an indebtedness from the Mortgagor to the Mortgagee in the principal sum of Three Million Six Hundred Thousand and no/100 Dollars--(\$3,600,000.00)-and interest thereon, and any future advances or readvances made by Mortgagee to the Mortgagor nor exceeding the aggregate amount outstanding at any one time the said principal sum, and interest thereof, Mortgagor does hereby grant, bargain, sell, and convey, to the Mortgagee, its successors and assigns, forever, all that certain real estate located in the County of Klamath State of Oregon.

Described on the attached "EXHIBIT A", pages 1-2.

TO HAVE AND TO HOLD THE DESCRIBED REAL ESTATE, together with all the tenements, hereditments and appurtenances belonging or in anyway pertaining to the same, to the Mortgagee, its successors and assigns forever. And the Mortgagor covenants with the Mortgagee, its successors and assigns, as follows: That it is lawfully seized of the described premises; that it has good right to convey the same; that the same are free from all encumbrances; that the Mortgagee, its successors and assigns, shall quietly enjoy and possess the same; and that the Mortgagor will WARRANT and DEFEND the title to the same against all lawful claims.

THIS MORTGAGE is given to secure the indebtedness evidenced by a note or notes made by the Mortgagor to the Mortgagee, described as follows:

<u>Amount</u>	<u>Interest Rate</u>
\$2,400,000.00 - Term Construction (TC30)	Variable Rates of Interest as the Mortgagee's Board of Directors shall from time to time prescribe.
\$2,400,000.00 - Term Construction (TC31),	
and other loans.	

51amt

With interest payable monthly on the day of each and every month, as Mortgagee shall specify, of each year, and to secure all renewals and extensions of the described notes.

THIS MORTGAGE is further given to secure such advances and readvances as the Mortgagee may make to the Mortgagor from time to time, it being agreed that if partial payments shall be made on the indebtedness at any time readvances may be made by the Mortgagee to the Mortgagor, and that all advances, readvances, and loans shall be secured by this mortgage within the limits of the principal sum.

FUTURE advances or readvances shall be evidenced by a note or notes, made by the Mortgagor to the Mortgagee. This mortgage is given to secure all future notes, with interest thereon, as well as the note or notes now existing.

THIS MORTGAGOR FURTHER COVENANTS AND AGREES:

1. That the indebtedness evidenced by the note or notes described herein, and any indebtedness which may be evidenced by any note or notes in renewal thereof, of which may result from further and future advances may be made by the Mortgagee to the Mortgagor and secured by this mortgage as herein provided, shall be repaid to the Mortgagee in accordance with the terms of the note or notes evidencing such indebtedness, and the Mortgagor hereby agrees that nothing in any agreement between the Mortgagor and Mortgagee shall be construed as limited, modifying, or restricting the right of the Mortgagee to demand payment of said indebtedness in accordance with the terms of the note or notes evidencing the same.
2. That it will pay both principal and interest to the Mortgagee at its office in the City of Inver Grove Heights, Minnesota, in lawful money of the United States of America, according to the terms and conditions of the note or notes secured by this Mortgage, at the time and in the manner above specified, together with all costs and expenses of collection, if any there shall be.
3. That all checks or drafts, delivered to the Mortgagee for the purpose of paying any sum or sums secured hereby will be paid upon presentment, and that all agencies used in making collections thereof, including those agencies transmitting the proceeds of such items to the Mortgagee, shall be considered agents of the Mortgagor or anyone by or on behalf of whom payment is sought to be made.
4. That no extension, assignment, or transfer of the above-described note or notes shall be considered as a discharge hereof or waiver of any default hereunder. No delay of the Mortgagee in asserting any right accruing by virtue of any default in any condition hereof shall be construed as a waiver of such default, nor shall any waiver or any default in any condition hereof be construed as a waiver of such condition or of any other term or condition hereof or right hereunder.

5. That it will maintain its corporate existence and operate its business as a cooperative association at all times that indebtedness secured by this mortgage shall remain unpaid.

6. That it will insure and keep insured buildings and other improvements now located on, or which may hereinafter be located on, the premises covered by this mortgage, against loss and damage by fire and windstorm, and such other risks as from time to time may be required by the Mortgagee, and in forms and amounts and with companies satisfactory to the Mortgagee, with clause executed and attached making loss, if any, payable to the Mortgagee as its interest may appear in said property at the time of loss; each policy evidencing such insurance to be delivered to the Mortgagee. The Mortgagee may apply loss funds received to any indebtedness secured hereby.

7. That it will pay when due all taxes, liens, judgments, or assessment which have been or may be lawfully assessed or levied against the property herein mortgaged and that it will pay when due all licenses or fees legally owing by or chargeable to the Mortgagor.

8. That in the event it fails to maintain insurance as hereinbefore provided or fails to pay when due any taxes, liens, judgments, assessments, licenses, or fees legally owing, the Mortgagee may provide such insurance and make such payment, and the sum paid therefore shall become a part of the indebtedness secured hereby, shall bear interest from the date of payment at the rate of seven percent (7%) per annum, and shall be immediately due and payable.

9. That it will keep all buildings and equipment subject to this mortgage in good and substantial repair during the continuance hereof and will not cause, suffer, or permit waste thereof.

10. That the Mortgagee may, at the Mortgagor's cost, examine the books, records, and documents of the Mortgagor and make reasonable recommendations as to business practices in the conduct of the Mortgagor's business, which shall be promptly adopted and, in good faith, carried out by the Mortgagor.

11. That it will execute such further and additional documents or instruments or do so perform all such acts as may be reasonable requested by the Mortgagee further to perfect its title as Mortgagee to any of the property hereinabove described.

12. That it will not, during the existence of any part of the lien herein provided for, sell, lease, or assign all or any part of the property herein described without the written consent of the Mortgagee, its successors or assigns all or any part of the property herein described without the written consent of the Mortgagee, its successors or assigns, approving such sale, lease or assignment. This limitation on the power of alienation shall not be exhausted by use, but shall be continuous so long as any part of the lien herein provided exists.

13. That if the premises herein described be acquired, in whole, or in part, by anyone who does not assume and agree to pay this mortgage, the whole of said mortgage indebtedness shall be come due at the option of the Mortgagee.

14. That if there be any security other than this mortgage for the indebtedness secured hereby, then upon default, the Mortgagee may proceed upon this and any other security, either concurrently or separately, in any order that said mortgagee may elect.

15. That no remedy herein conferred on or reserved to the Mortgagee is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder and now or hereafter existing at law or in equity or by statute.

16. That all of the rights, privileges, and powers herein vested in the Mortgagee shall inure to, and may be exercised by, any subsequent holder of the note or notes, or any renewals thereof, hereby secured, and this mortgage shall be binding upon the successors and assigns of the Mortgagor.

17. That the Mortgagor shall receive any sums payable under or arising out of any eminent domain proceedings affecting the whole or any part of, or any interest in, the real estate covered by the mortgage. All such sums are hereby assigned by the Mortgagor to the Mortgagee and when received by the Mortgagee may be applied on the indebtedness secured by this mortgage in such manner as the Mortgagee may elect.

18. That in the case of the non-payment of any indebtedness secured hereby, including any sums advanced for payment of insurance premium, taxes, liens, judgments, assessments, licenses, or fees, in accordance with the terms of this mortgage or in case of the failure of the Mortgagor to keep or perform any other covenant, agreement, stipulation, or condition herein contained at the option of the Mortgagee, its successors or assigns (notice of such option being hereby expressly waived) the entire principal sum secured by the mortgage, together with all accrued interest thereon, shall be deemed to have become due, without notice; and thereafter such principal sum shall bear simple interest at the rate shown above, to be secured by this mortgage. Either (1) the whole of said principal sum, when so deemed due, together with all other sums due hereunder, all with interest thereon as provided in this mortgage, or (2) any sums which may be past due hereunder without accelerating the maturity of the whole debt hereby secured, with interest on such past due sums as provided herein, shall be collectible in a suit at law, or by foreclosure of this mortgage. Whenever the said principal indebtedness has become due, by acceleration or otherwise or whenever any sum secured hereby has become past due, it shall be lawful for said Mortgagee, its successors and assigns to sell and convey the said real estate, with its appurtenances, at public auction as provided by the statutes; and on such sale, to make and executed to the purchaser its, his or her assigns, forever a good and sufficient deed of conveyance pursuant to statutes. Out of the monies arising from such sale, under decree of court, the Mortgagee shall retain (a) the principal and interest which shall be then be due on the notes (b) any sums advanced by the Mortgagee, its successors, or assigns and secured by the Mortgage, with interest as shall be allowed by law or the practice of the courts, or in a reasonable amount; and the surplus money, if any, shall be paid to the

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**Parcel 1:**

A tract of land situated in the NW 1/4 SW 1/4 of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the West quarter corner of said Section 3; thence South 00°22'50" East (along the West line of said Section 3) 714.30 feet; thence South 89°52'40" East parallel with and 250.00 feet from the Southerly right of way line of Crosby Street a distance of 50.00 feet to the East right of way line of Washburn Way, said point being the true point of beginning of this description; thence continuing South 89°52'40" East 320.00 feet; thence South 00°22'50" East 50.00 feet; thence North 89°52'40" West 320.00 feet to the Easterly right of way line of said Washburn Way; thence North 00°22'50" West 50.00 feet to the true point of beginning.

**Parcel 2:**

A tract of land being the Westerly 320 feet of Lot 1, Block 5, Tract 1080, Washburn Park, a duly recorded plat, Klamath County, Oregon, more particularly described as follows:

Beginning at the Southwest corner of said Lot 1; thence North 00°04'50" East along the West line of said Lot 1, 115.01 feet; thence South 89°25'10" East 320.00 feet; thence South 00°04'50" West 115.01 feet to the South line of said Lot 1; thence North 89°25'10" West 320.00 feet to the point of beginning.

**Parcel 3:**

A tract of land situated in Lot 1, Block 5, Tract 1080, Washburn Park, a duly recorded plat, Klamath County, Oregon, more particularly described as follows:

Beginning at a point on the East line of said Lot 1, said point being South 00°09'48" West 245.00 feet from the Northeast corner of said Lot 1; thence North 89°25'10" West parallel to the North line of said Lot 1, 231.37 feet to the West line of said Lot 1; thence South 00°04'50" West on said West line and its extension, 165.00 feet to the South line of said Lot 1; thence South 89°25'10" East 231.13 feet to the Southeast corner of said Lot 1; thence North 00°09'48" East 165.00 feet to the point of beginning.

Parcel 4:

Commencing at the one quarter corner common to Sections 3 and 4, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon; thence along the West boundary of said Section 3, South  $0^{\circ}22'50''$  East 464.30 feet; thence South  $89^{\circ}52'40''$  East 50.00 feet to the intersection of the East boundary of Washburn Way with the South boundary of Crosby Avenue for the true point of beginning; thence along the South boundary of Crosby Avenue South  $89^{\circ}52'40''$  East 320.00 feet; thence South  $0^{\circ}22'50''$  East 250.00 feet; thence North  $89^{\circ}52'40''$  West 320.00 feet to the East boundary of Washburn Way; thence along said boundary North  $0^{\circ}22'50''$  West 250.00 feet to the true point of beginning.

Excepting therefrom a parcel of land lying in the NW 1/4 SW 1/4 of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, deeded to the State of Oregon, by and through its Department of Transportation, Highway Division, recorded August 3, 1976 in Volume M76, Page 11933 and re-recorded August 31, 1976 in Volume M76, Page 13586, Deed records of Klamath County, Oregon, said parcel being described as follows:

Beginning on the East line of Washburn Way at a point 10 feet South of the intersection of said East line with the South line of Crosby Avenue; thence North along said East line 10 feet to said South line; thence East along said South line 25 feet; thence Southwesterly in a straight line to the point of beginning.

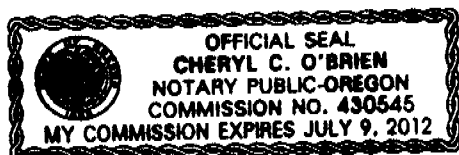
Parcel 5:

A tract of land situated in Lot 1, Block 5, Tract 1080, Washburn Park, a duly recorded plat, Klamath County, Oregon, more particularly described as follows:

Beginning at the Northeast corner of said Lot 1; thence North  $89^{\circ}25'10''$  West along the North line of said Lot 1, 231.72 feet; thence South  $00^{\circ}04'50''$  West along the West line of said Lot 1, 245.00 feet; thence South  $89^{\circ}25'10''$  East 231.37 feet to the East line of said Lot 1; thence North  $00^{\circ}09'48''$  East 245.00 feet to the point of beginning.

said Mortgagor, its successors, or assigns. And the mortgagor, for itself and all successors in interest, expressly agrees that at any sale held pursuant to the power of sale herein, pursuant to decree of court, all of the said described premises, or all of the same not theretofore released, may, at the option of the Mortgagee, be offered and sold in bulk and as on parcel; and that all provisions of statute and rules of law to the contrary are hereby waived by the Mortgagor.

IN WITNESS WHEREOF, the Mortgagor has caused to be executed in its corporate name by its duly authorized officers and its corporate seal (if any) to be affixed on the day and year first above written.



Grange Cooperative Supply Association  
Mortgagor

By: Eugene Stanley

President - Eugene Stanley

By: David Wolff

Secretary - David Wolff

State of Oregon       )  
                                  )ss.  
County of Jackson )

The foregoing instrument was acknowledged before me this 8 day of September, 2008, by EUGENE STANLEY and DAVID WOLFF, the President and Secretary respectively of Grange Cooperative Supply Association a Oregon corporation, and to me personally known to be the persons who executed the within and foregoing instrument on behalf of the corporation as such officers, and said officers acknowledged said instrument to be the free act and deed of said corporation, and further acknowledged to me that said corporation executed the same.

This instrument was drafted by:  
Cofina Financial, LLC - P. Bruley  
PO Box 64089  
St. Paul, MN 55164-0089

Cheryl O'Brien  
Notary Public  
My Commission Expires: 7/9/2012