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VOL. 1 PAGE 8929

REAL ESTATE MORTGAGE FOR OREGON AND ALASKA  
(INSURED LOANS TO INDIVIDUALS)  
67-13592

KNOW ALL MEN BY THESE PRESENTS, Dated November 17, 1967

WHEREAS, the undersigned ERNEST D. FIRSICK, also known as ERNEST FIRSICK, and

GLORIA I. FIRSICK, also known as GLORIA FIRSICK, husband and wife,

residing in Klamath County (herein meaning Precinct if the  
property described below is in Alaska), State of Oregon, whose post office address

is P. O. Box 343, Sprague River, 97639, in said State,  
herein called "Borrower," are (is) justly indebted to the United States of America, acting through the Farmers Home Admin-  
istration, United States Department of Agriculture, herein called the "Government," as evidenced by a certain promissory

note, herein called "the note," dated November 17, 1967, for the principal sum of

THIRTY-FOUR THOUSAND AND NO/100 - - - - - Dollars (\$ 34,000.00), with interest at

the rate of Five 5 percent (5%) per annum, executed by Borrower and payable to the order of the

Government in installments as specified therein, the final installment being due on November 17, 2007,  
which note authorizes acceleration of the entire indebtedness at the option of the Government upon any default by Borrower;  
and

WHEREAS, the note evidences a loan to Borrower in the principal amount specified therein, made with the purpose and  
intention that the Government, at any time, may assign the note and insure the payment thereof pursuant to the Consolidated  
Farmers Home Administration Act of 1961, or Title V of the Housing Act of 1949; and

WHEREAS, when payment of the note is insured by the Government, it may be assigned from time to time and each holder  
of the insured note, in turn, will be the insured lender; and

WHEREAS, when payment of the note is insured by the Government the Government will execute and deliver to the insured  
lender along with the note an insurance endorsement insuring the payment of the note fully as to principal and interest; and

WHEREAS, when payment of the note is insured by the Government, the Government by agreement with the insured lender  
set forth in the insurance endorsement may be entitled to a specified portion of the interest payments on the note, to be  
designated the "annual charge"; and

WHEREAS, a condition of the insurance of payment of the note will be that the holder will forego his rights and remedies  
against Borrower and any others in connection with said loan, as well as any benefit of this instrument, and will accept the  
benefits of such insurance in lieu thereof, and upon the Government's request will assign the note to the Government; and

WHEREAS, it is the purpose and intent of this instrument that, among other things, at all times when the note is held by  
the Government, or in the event the Government should assign this instrument without insurance of the note, this instrument  
shall secure payment of the note; but when the note is held by an insured lender, this instrument shall not secure payment  
of the note or attach to the debt evidenced thereby, but as to the note and such debt shall constitute an indemnity mortgage  
to secure the Government against loss under its insurance endorsement by reason of any default by Borrower;

NOW, THEREFORE, in consideration of said loan and (a) at all times when the note is held by the Government, or in the  
event the Government should assign this instrument without insurance of the payment of the note, to secure prompt payment  
of the note and any renewals and extensions thereof and any agreements contained therein, (b) at all times when the note is  
held by an insured lender, to secure performance of Borrower's agreement herein to indemnify and save harmless the Govern-  
ment against loss under its insurance endorsement by reason of any default by Borrower, and (c) in any event and at all times  
to secure the prompt payment of all advances and expenditures made by the Government, with interest, as hereinafter des-  
cribed, and the performance of every covenant and agreement of Borrower contained herein or in any supplementary agreement,  
Borrower does hereby grant, bargain, sell, convey, mortgage, and assign with general warranty unto the Government the

following property situated in the County (ies) of Klamath State of Oregon

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FHA 427-1 Oreg. (Rev. 6-22-66)



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**PARCEL I:** SW $\frac{1}{4}$ , SW $\frac{1}{4}$ NW $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ , the SW $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ , W $\frac{1}{2}$  of Lot 5 and all of Lot 4 in Section 6, Township 36 South, Range 12 East of the Willamette Meridian.  
**PARCEL II:** S $\frac{1}{2}$ SE $\frac{1}{4}$  and S $\frac{1}{2}$ N $\frac{1}{2}$ SE $\frac{1}{4}$  of Section 1, Township 36 South, Range 11 East of the Willamette Meridian.  
**PARCEL III:** Government Lots 17, 18, 23, 24, 25, 26, 31 and 32, Section 17, Township 36 South, Range 11 East of the Willamette Meridian.

**SUBJECT TO:** 1. Easements and rights of way of record.  
 2. Mortgages to the Government recorded in Mortgage Volume 208 at Page 598, and in Mortgage Volume 220 at Page 168.  
 3. Mineral reservations.  
 4. Water, water rights, and matters relating thereto.  
 5. Reservations in Deeds recorded in Volume 67 at Page 533; and in Volume 307 at Page 191; and in Volume 310 at Page 390.

This mortgage is also given to further secure the obligations secured by hereinbefore described mortgages to the Government, which mortgages shall remain in full force and effect.

together with all rights, interests, easements, hereditaments and appurtenances thereunto belonging, the rents, issues, and profits thereof and revenues and income therefrom, all improvements and personal property now or later attached thereto or reasonably necessary to the use thereof, all water, water rights, and water stock pertaining thereto, and all payments at any time owing to Borrower by virtue of any sale, lease, transfer, conveyance, or condemnation of any part thereof or interest therein—all of which are herein called "the property";

TO HAVE AND TO HOLD the property unto the Government and its assigns forever in fee simple.

**BORROWER** for himself, his heirs, executors, administrators, successors and assigns **WARRANTS THE TITLE** to the property to the Government against all lawful claims and demands whatsoever except any liens, encumbrances, easements, reservations, or conveyances specified hereinabove, and **COVENANTS AND AGREES** as follows:

(1) To pay promptly when due any indebtedness to the Government hereby secured and to indemnify and save harmless the Government against any loss under its insurance of payment of the note by reason of any default by Borrower. At all times when the note is held by an insured lender, Borrower shall continue to make payments on the note to the Government, as collection agent for the holder.

(2) To pay to the Government any initial fees for inspection and appraisal, and any delinquency charges, now or hereafter required by regulations of the Farmers Home Administration.

(3) At all times when the note is held by an insured lender, any amount due and unpaid under the terms of the note, less the amount of any annual charge, may be paid by the Government to the holder of the note as provided in the note and insurance endorsement for the account of Borrower. Any amount due and unpaid under the terms of the note, whether it is held by the Government or by an insured lender, may be credited by the Government on the note, and thereupon shall constitute an advance by the Government for the account of Borrower. Any advance by the Government as described in this paragraph shall bear interest at the note rate from the date on which the amount of the advance was due to the date of payment to the Government.

(4) Whether or not the note is insured by the Government, the Government may at any time pay any other amounts required herein to be paid by Borrower and not paid by him when due, as well as any costs and expenses for the preservation, protection, or enforcement of this lien, as advances for the account of Borrower. All such advances shall bear interest at the note rate until paid to the Government.

(5) All advances by the Government as described in this instrument, with interest, shall be immediately due and payable by Borrower to the Government without demand at the place designated in the note and shall be secured hereby. No such advance by the Government shall relieve Borrower from breach of his covenant to pay. Such advances, with interest, shall be repaid from the first available collections received from Borrower. Otherwise, any payment made by Borrower may be applied on the note or any indebtedness to the Government secured hereby, in any order the Government determines.

(6) To use the loan evidenced by the note solely for purposes authorized by the Government.

(7) To pay when due all taxes, liens, judgments, encumbrances, and assessments lawfully attaching to or assessed against the property and promptly deliver to the Government without demand receipts evidencing such payments.

(8) To keep the property insured as required by and under insurance policies approved by, delivered to, and retained by the Government.

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(9) To maintain improvements in good repair and make repairs required by the Government; operate the property in a good and husbandmanlike manner; comply with such farm conservation practices and farm and home management plans as the Government from time to time may prescribe; and not to abandon the property, or cause or permit waste, lessening or impairment of the security covered hereby, or, without the written consent of the Government, cut, remove, or lease any timber, gravel, oil, gas, coal, or other minerals except as may be necessary for ordinary domestic purposes.

(10) If this instrument is given for a "Farm Ownership" loan as identified in Farmers Home Administration regulations, personally to operate the property with his own and his family labor as a farm and for no other purpose, and not to lease the property or any part of it, unless the Government consents in writing to some other method of operation or to a lease; or, if this instrument is given for a "Section 502 Rural Housing" loan on a "nonfarm tract," as identified in said regulations, all or any of the property constructed, improved, or purchased with the loan will be personally occupied and used by Borrower and not rented or leased, unless the Government gives written consent otherwise.

(11) To comply with all laws, ordinances, and regulations affecting the property.

(12) To pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and priority hereof and to the enforcement of or the compliance with the provisions hereof and of the note or any supplementary agreement (whether before or after default), including but not limited to costs of evidence of title to and survey of the property, costs of recording this and other instruments, attorneys' fees, trustees' fees, court costs, and expenses of advertising, selling, and conveying the property.

(13) Neither the property nor any portion thereof or interest therein shall be assigned, sold, transferred, or encumbered, voluntarily or otherwise, without the written consent of the Government. The Government shall have the sole and exclusive rights as mortgagee hereunder, including but not limited to the power to grant consents, partial releases, subordinations, and satisfaction, and no insured lender shall have any right, title or interest in or to the lien or any benefits hereof.

(14) At all reasonable times the Government and its agents may inspect the property to ascertain whether the covenants and agreements contained herein or in any supplementary agreement are being performed.

(15) The Government may extend and defer the maturity of and renew and reamortize the debt evidenced by the note or any indebtedness to the Government secured hereby, release from liability to the Government any party so liable thereon, release portions of the property from and subordinate the lien hereof, and waive any other rights hereunder, without affecting the lien or priority hereof or the liability to the Government of Borrower or any other party for payment of the note or indebtedness secured hereby.

(16) If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private credit source, at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, upon the Government's request, apply for and accept such loan in sufficient amount to pay the note and any indebtedness secured hereby and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan.

(17) Default hereunder shall constitute default under any other real estate or crop or chattel security instrument held or insured by the Government and executed or assumed by Borrower, and default under any such other security instrument shall constitute default hereunder.

(18) SHOULD DEFAULT occur in the performance or discharge of any obligation secured by this instrument, or should any one of the parties named as Borrower die or be declared an incompetent, a bankrupt, or an insolvent, or make an assignment for the benefit of creditors, the Government, at its option, with or without notice, may: (a) declare the entire amount unpaid under the note and any indebtedness to the Government hereby secured immediately due and payable, (b) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of and take possession of, operate or rent the property, (c) upon application by it and production of this instrument, without other evidence 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 or by law, and (e) enforce any and all other rights and remedies provided herein or by present or future law.

(19) The proceeds of foreclosure sale shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing or complying with the provisions hereof, (b) any prior liens required by law or a competent court to be so paid, (c) the debt evidenced by the note and all indebtedness 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 (f) any balance to Borrower. At foreclosure or other sale of all or any part of the property, the Government and its agents may bid and purchase as a stranger and may pay the Government's share of the purchase price by crediting such amount on any debts of Borrower owing to or insured by the Government, in the order prescribed above.

(20) As against the debt evidenced by the note and any indebtedness to the Government hereby secured, with respect to the property, and to the extent permitted by law, Borrower hereby relinquishes, waives, and conveys all rights, inchoate or consummate, or descent, dower, curtesy, homestead, valuation, appraisal, redemption, and exemption to which Borrower is or becomes entitled under the laws and constitution of the jurisdiction where the property lies, and also the right of possession of the property during the period of redemption.

(21) This instrument shall be subject to the present regulations of the Farmers Home Administration, and to its future regulations not inconsistent with the express provisions hereof.

(22) Notices given hereunder shall be sent by certified mail, unless otherwise required by law, addressed, unless and until some other address is designated in a notice so given, in the case of the Government to Farmers Home Administration, United States Department of Agriculture, at Portland, Oregon 97205, and in the case of Borrower to him at his post office address stated above.



WITNESS the hand(s) of Borrower the day and year first above written.

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*Ernest D. Firsick*  
Ernest D. Firsick  
*Gloria I. Firsick*  
Gloria I. Firsick

ACKNOWLEDGMENT  
FOR OREGON

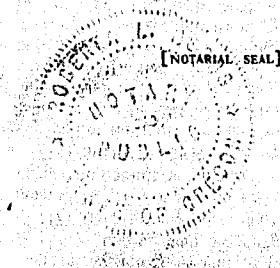
STATE OF OREGON

COUNTY OF Klamath

On this 17th day of November, 19 67, personally appeared the above-named

ERNEST D. FIRSICK and GLORIA I. FIRSICK, husband and wife,

and acknowledged the foregoing instrument to be their voluntary act and deed. Before me:



*Roberta L. Negus*  
Roberta L. Negus  
My Commission expires Nov. 16, 1969

ACKNOWLEDGMENT

STATE OF OREGON, } ss  
County of Klamath }  
Filed for record at request of  
Transamerica Title Insurance Company  
on this 17 day of November A. D. 19 67  
at 3:33 o'clock PM, and duly  
recorded in Vol. M-67 of Mortgages  
Page 8929

DOROTHY ROGER, County Clerk

Fee 6.00

By *Charles J. Hyde* Deputy

duly commissioned (or appointed)

foregoing instrument, and severally  
for the uses and purposes therein

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(Official title)

*Let to  
Farmer Home Administration  
Klamath Falls, Oregon*

GPO 826-614

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