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4889

Vol. 25 Page 114

USDA-FHA
Form FHA 427-1 OR
(Rev. 7-1-73)

REAL ESTATE MORTGAGE FOR OREGON

38-8912

KNOW ALL MEN BY THESE PRESENTS, Dated MAY 6, 1975

WHEREAS, the undersigned LARRY EUGENE PETERMAN AND NANCY ANN PETERMAN,
HUSBAND AND WIFE,

residing in KLAMATH County, Oregon, whose post office address is

7042 AIRWAY DRIVE, KLAMATH FALLS Oregon 97601

herein called "Borrower," are (is) justly indebted to the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture, herein called the "Government," as evidenced by one or more certain promissory note(s) or assumption agreement(s), herein called "note" (if more than one note is described below, the word "note" as used herein shall be construed as referring to each note singly or all notes collectively, as the context may require), said note being executed by Borrower, being payable to the order of the Government in installments as specified therein, authorizing acceleration of the entire indebtedness at the option of the Government upon any default by Borrower, and being further described as follows:

<u>Date of Instrument</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Due Date of Final Installment</u>
May 6, 1975	\$23,500.00	8 1/8	May 6, 2008

And the note evidences a loan to Borrower, and the Government, at any time, may assign the note and insure the payment thereof pursuant to the Consolidated Farm and Rural Development Act, or Title V of the Housing Act of 1949;

And 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 holder, 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 contract by reason of any default by Borrower.

NOW, THEREFORE, in consideration of the loan(s) 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 holder, to secure performance of Borrower's agreement herein to indemnify and save harmless the Government against loss under its insurance contract 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 described, 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 State of Oregon, County(ies) of KLAMATH

WHEN RECD
GIACOMINI,
Attorneys at
Law

GIACOMINI
Attorneys at
Law

RECEIVED
11:45 am

25a. REGISTRATION NUMBER
25b. SIGNATURE
25c. FULL NAME AND ADDRESS
25d. CITY OR TOWN
25e. STATE
25f. ZIP

26a. FURNISH HOME-MADE AND ADDRESS
26b. CITY OR TOWN, STATE, ZIP
26c. DATE RECEIVED BY LOCAL REGISTRAR
26d. DATE RECEIVED BY STATE REGISTRAR

27. DATE (mo., day, year)

28. V.S. 2 R 29

29. VERMIL HILLS
30. Klamath Falls, Oregon 97601
31. O'Hairs Funeral Chapel, 515 Pine, Klamath Falls, Ore. 97601
32. APR 7 1975

The following described real property in Klamath County, Oregon:

PARCEL 1

A tract of land situated in the NE¼NE¼ of Section 24, Township 39 South, Range 9 East of the Willamette Meridian, more particularly described as follows:

Beginning at a point located West a distance of 1072.7 feet and South 0° 19' West a distance of 30.0 feet from the iron axel marking the Northeast corner of said Section 24, said beginning point being located on the South boundary of Airway Avenue; thence South 0° 19' West a distance of 166.4 feet to the Northerly boundary of the USRS Dixon Drain; thence along the Northerly boundary of said drain North 75° 18' West a distance of 96.9 feet and South 44° 26' West a distance of 248.9 feet; thence leaving the Northerly boundary of said drain North 0° 19' East a distance of 319.5 feet to the South boundary of Airway Avenue; thence East along the South boundary of Airway Avenue a distance of 267.05 feet, more or less, to the point of beginning.

PARCEL 2

A tract of land situated in the NE¼NE¼ of Section 24, Township 39 South, Range 9 East of the Willamette Meridian, more particularly described as follows:

Beginning at a point located West a distance of 953.1 feet and South 0° 19' West a distance of 30.0 feet from the iron axle marking the Northeast corner of said Section 24, said beginning point being on the South boundary of Airway Drive; thence South 0° 19' West a distance of 197.8 feet to the Northerly boundary of the USRS Dixon Drain; thence North 75° 18' West along the Northerly line of said drain, a distance of 123.6 feet; thence North 0° 19' East a distance of 166.4 feet to the South boundary of the Airway Drive; thence East along the South boundary of Airway Dr. 119.6 feet, more or less to the point of beginning.

SUBJECT TO:

1. Regulations, including levies, assessments, water and irrigation rights and easements for ditches and canals, of Klamath Irrigation District.
2. Right of way, including the terms and provisions thereof, from S. B. Low, et ux., to The United States as shown by deed dated April 25, 1908 recorded April 28, 1908 in Book 24 at page 131, Deed Records of Klamath County, Oregon.
3. An easement created by instrument, including the terms and provisions thereof, dated December 4, 1967, recorded December 6, 1967 in M-67 at page 9500, Deed Records, in favor of Pacific Power & Light Company for electric transmission and distribution line located adjacent to Airway Drive.

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

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

(11) 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 and 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.

(12) 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 holder shall have any right, title or interest in or to the lien or any benefits hereof.

(13) 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.

(14) 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

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21a	21b	21c	21d	21e	21f	21g	21h	21i	21j
REGISTRAR	REGISTERED	REGISTERED	REGISTERED	REGISTERED	REGISTERED	REGISTERED	REGISTERED	REGISTERED	REGISTERED
NAME	ADDRESS	CITY	STATE	ZIP	DATE	DATE	DATE	DATE	DATE
Funeral Home	Funeral Home	Klamath Falls,	Oregon	97601	4-7-75	4-7-75	4-7-75	4-7-75	4-7-75
Funeral Home	Funeral Home	Klamath Falls,	Oregon	97601	4-7-75	4-7-75	4-7-75	4-7-75	4-7-75
Funeral Home	Funeral Home	Klamath Falls,	Oregon	97601	4-7-75	4-7-75	4-7-75	4-7-75	4-7-75

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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, including, but not limited to, ranges, refrigerators, clothes washers, clothes dryers, or carpeting purchased or financed in whole or in part with loan funds, 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 holder, Borrower shall continue to make payments on the note to the Government, as collection agent for the holder.
- (2) To pay to the Government such fees and other charges as may now or hereafter be required by regulations of the Farmers Home Administration.
- (3) If required by the Government, to make additional monthly payments of 1/12 of the estimated annual taxes, assessments, insurance premiums and other charges upon the mortgaged premises.
- (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 rate borne by the note which has the highest interest rate.
- (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 latest 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 purpose authorized by the Government.
- (7) To pay when due all taxes, liens, judgments, encumbrances, 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 necessary to the use of the real property described above, and promptly deliver to the Government without demand receipts evidencing such payments.

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- (8) To keep the property insured as required by and under insurance policies approved by, delivered to, and retained by the Government.
- (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) To comply with all laws, ordinances, and regulations affecting the property.
- (11) 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 and 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.
- (12) 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 holder shall have any right, title or interest in or to the lien or any benefits hereof.
- (13) 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.
- (14) 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.
- (15) 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

WHEN RECORDED
GIACOMINI, JOHN
Attorneys at Law
A Prof

WHEN RECORDED
GIACOMINI, JOHN
Attorneys at Law

25a. FUNERAL DIRECTOR SIGNATURE: *Marie Moran*

25b. REGISTERED SIGNATURE: *Marie Moran*

25c. RECEIVED FOR REGISTRAR'S USE: *Marie Moran*

26. LOCATION: **Eternal Hills** (City or town), **Oregon** (State) 97601

27. DATE RECEIVED BY LOCAL REGISTRAR: APR 7 1975

27. DATE RECEIVED BY STATE REGISTRAR: APR 7 1975

28. DATE (mo., day, year): APR 7 1975

feet to the south boundary of the Airway Drive, thence east along the South boundary of Airway Dr. 119.6 feet, more or less to the point of beginning.

SUBJECT TO:

1. Regulations, including levies, assessments, water and irrigation rights and easements for ditches and canals, of Klamath Irrigation District.
2. Right of way, including the terms and provisions thereof, from S. B. Low, et ux., to The United States as shown by deed dated April 25, 1908 recorded April 28, 1908 in Book 24 at page 131, Deed Records of Klamath County, Oregon.
3. An easement created by instrument, including the terms and provisions thereof, dated December 4, 1967, recorded December 6, 1967 in M-67 at page 9500, Deed Records, in favor of Pacific Power & Light Company for electric transmission and distribution line located adjacent to Airway Drive.

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

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

(11) 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 and 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.

(12) 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 holder shall have any right, title or interest in or to the lien or any benefits hereof.

(13) 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.

(14) 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.

(15) 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.

(16) 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.

(17) 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.

(18) 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.

(19) As against the debt evidenced by the note and any indebtedness to the Government hereby secured, with respect to the property, Borrower (a) hereby relinquishes, waives, and conveys all rights, inchoate or consummate, of descent, dower, curtesy, homestead, valuation, appraisal, and exemption, to which Borrower is or becomes entitled under the laws and constitution of the jurisdiction where the property lies, and (b) hereby agrees that any right provided by such laws or constitution for redemption or possession following foreclosure sale shall not apply, and that no right of redemption or possession shall exist after foreclosure sale.

(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 (herein called "the dwelling") and if Borrower intends to sell or rent the dwelling and has obtained the Government's consent to do so (a) neither Borrower nor anyone authorized to act for him will, after receipt of a bona fide offer, refuse to negotiate for the sale or rental of the dwelling or will otherwise make unavailable or deny the dwelling to anyone because of race, color, religion or national origin, and (b) Borrower recognizes as illegal and hereby disclaims, and will not comply with or attempt to enforce any restrictive covenants on the dwelling relating to race, color, religion, or national origin.

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WHEN RECORDED
GIACOMINI, JOHN
Attorneys at Law
A Prof

WHEN
GIACOMINI
Attorneys

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21a	FUNERAL HOME NAME AND ADDRESS	22a	LOCATION	23a	DATE (mo., day, year)
21b	Funeral Home	22b	Klamath Falls, Oregon	23b	4-7-77
21c	Funeral Chapel, 515 Pine, Klamath Falls, Ore.	22c	Funeral Home	23c	7-7-75
21d	RESERVED FOR REGISTRAR'S USE	22d	DATE RECEIVED BY LOCAL REGISTRAR	23d	DATE RECEIVED BY STATE REGISTRAR

(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.

(23) If any provision of this instrument or application thereof to any person or circumstances is held invalid, such invalidity will not affect other provisions or applications of the instrument which can be given effect without the invalid provision or application, and to that end the provisions hereof are declared to be severable.

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

Larry Eugene Peterman
LARRY EUGENE PETERMAN

Nancy Ann Peterman
NANCY ANN PETERMAN

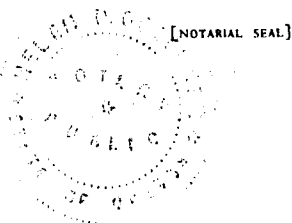
ACKNOWLEDGMENT
FOR OREGON

STATE OF OREGON

COUNTY OF KLAMATH

On this 6th day of MAY, 19 75, personally appeared the above-named
LARRY EUGENE PETERMAN AND NANCY ANN PETERMAN

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



Helen D. Gochman
Notary Public.

My Commission expires 11/25/76

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of TRANSAMERICA TITLE INS. CO

this 7th day of May, A. D. 19 75 at 10:45 o'clock A.M., and

duly recorded in Vol. M 75 of MORTGAGES on Page 4889

FEE \$10.00

Wm D. MILNE, County Clerk

By *Hazel Drake*

RETURN: FARMERS HOME ADMINISTRATION, P. O. Box 1328, City 97601

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WHEN RECORDED
GIACOMINI, JOHN
Attorneys at Law
A Prof

WHEN
GIACOMINI
Attorney

RESERVED FOR REGISTRAR'S USE

23. REGISTRAR'S SIGNATURE
Helen D. Gochman

24. LOCATION
City or town: Klamath Falls, Oregon
State: Oregon
City or town, state, zip: 515 Pine, Klamath Falls, Ore. 97601

25. FUNERAL HOME NAME AND ADDRESS
Funeral Chapel, 515 Pine, Klamath Falls, Ore. 97601

26. DATE RECEIVED BY LOCAL REGISTRAR
APR 7 1975

27. DATE RECEIVED BY STATE REGISTRAR

28. ETERNAL HILLS

29. V.S. 8-839