

**REAL ESTATE MORTGAGE FOR OREGON**

THIS MORTGAGE is made and entered into by **STEVEN C. JOSSE AND MARY A. JOSSE**  
**HUSBAND AND WIFE**

of the County of **CLATSOP**, Oregon, whose post office address is **Box 10, Clatsop, Oregon 97623**

for the purpose of securing the payment of the following indebtedness:

WHEREAS Borrower is 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 promissory note(s) hereinafter described, which has been executed by Borrower, is payable to the order of the Government, and the acceleration of the entire indebtedness at the option of the Government upon any default by Borrower, and is secured as follows:

1. A promissory note(s) bearing interest at the rate of **5.00%** per annum, due on **3/15/2018**.

2. The purpose of this mortgage is to secure the payment of the indebtedness described in the foregoing, 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 payment of the note, to secure prompt 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 same 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 principal 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 **CLATSOP**:

**Section 15 Township 39 South, Range 11 East of the Willamette Meridian;**

**AND EXCEPTING** Beginning at a point on the North line of said Section 15 at a point 531 feet West of the Northeast corner thereof; thence West along said North line to the Northwest corner of the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of said section; thence South along the West line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$  a distance of 185 feet to a point; thence East parallel to the North line of said section a distance of 30 feet, more or less, to a point on the West line of parcel conveyed to Lost River Cemetery Association, Inc., by deed Vol. 236, page 572, thence North along the West line of said parcel to the point of beginning.

**AND EXCEPTING** from the above described parcel that portion conveyed to Lost River Cemetery Association, Inc., by deed recorded December 14, 1949, in Deed Volume 236 page 572, records of Klamath County, Oregon.

**PARCELS 2, 3, 4 and 9** lying Southwesterly of the Bonanza-Lorella County Road, and in Riverside Tracts in Sections 11 and 14 Township 39 South, Range 11 East of the Willamette Meridian, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

The SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 11 lying Southwesterly of the Bonanza-Lorella County Road in Township 39 South, Range 11 East of the Willamette Meridian.

that portion of the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 11 Township 39 South, Range 11 East of the Willamette Meridian, described as follows: Beginning at intersection of the East line of the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 11 Twp. 39 S.R. 11 E.W.M., and the North line of the Bonanza-Lorella County Road; thence westerly along said North line a distance of 193 feet; thence North to the South line of East River; thence Southeasterly along the South line of East River to the East line of said SW $\frac{1}{4}$ SW $\frac{1}{4}$ ; thence South along said East line to the point of beginning.

EXCEPTING from the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 11 Township 39 South, Range 11 East of the Willamette Meridian the following: Beginning at a point on the South line of the Bonanza-Lorella County Road which is 742 feet East along said line from the West line of the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 11 Twp. 39 S.R. 11 E.W.M.; thence continuing East along said line a distance of 448 feet; thence South 140 feet; thence West 448 feet, more or less, to a point due South of the point of beginning; thence North 140 feet, more or less, to the point of beginning.

That portion of the SE $\frac{1}{4}$ NE $\frac{1}{4}$  and NE $\frac{1}{4}$ NE $\frac{1}{4}$  lying Southeasterly of the Bonanza-Lorella County Road and all of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ NE $\frac{1}{4}$ , S $\frac{1}{4}$ NE $\frac{1}{4}$  and S $\frac{1}{4}$  of Section 11 Township 39 South, Range 11 East of the Willamette Meridian. EXCEPTING the East 1200 feet of the South 330 feet of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ .

The NW $\frac{1}{4}$ , NE $\frac{1}{4}$ NE $\frac{1}{4}$  and NE $\frac{1}{4}$ NE $\frac{1}{4}$  EXCEPTING the East 1200 feet of said NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 23, Township 39 South, Range 11 East of the Willamette

...sprinkler system including but not limited to the following items, and including any replacements of or additions to sprinkler system:

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2 - 30 hp pumps

1 - 75 hp pump

2 - big guns w/carts

4 - wheelines

1300' 10" mainline

3000' 8" mainline

2600' 6" mainline

Compensator for pumps, miscellaneous valves, couplers, risers, sprinklers, etc."

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 hereinafter 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 Federal 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 husbandlike 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 in this instrument or 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) Borrower agrees that the Government will not be bound by any present or future laws, (a) providing for valuation, appraisal, homestead or exemption of the property, (b) prohibiting maintenance of an action for a deficiency judgment or limiting the amount thereof or the time within which such action may be brought, (c) prescribing any other statute of limitations, (d) allowing any right of redemption or possession following any foreclosure sale, or (e) limiting the conditions which the Government may by regulation impose, including the interest rate it may charge, as a condition of approving a transfer of the property to a new Borrower. Borrower expressly waives the benefit of any such State law. Borrower hereby relinquishes, waives, and conveys all rights, inchoate or consummate, of descent, dower, and curtesy.
- (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, sex, 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, sex, or national origin.
- (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.

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