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(S.1. All advances by the Convergence of the interest rate. perein, called a Boulomet 's laud to we trundent' 19 and the additional monthly payments at 1/42 of the estimated annual taxe. Assessments, insurance prequiring and other charges, upon the mortisaged prepares. 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," las revidenced by one or more promissory note(s) or assumption agreement(s), therein called "note," which has been executed by Borrower, is payable to the order of the on assumption agreements spinerent caned more; which has been executed by portowers in payable to the order of the Government authorizes; acceleration of other entire; indebtedness at the toption of the Government upon any default by Borrower, and is described as follows: 112 manual of the possition of the adjusted and to an order of part of the possition of the state of the part of the possition of the control of th Date of Instrument Assuces about 19 principal Amount Amount Amount Amount and 11 and 1 thereto, and all payments at any time coving to Borrower by virtue of any sale, lease transfer, conveyance, or condensation of any many thorough at our example, or condensation of any part thereof or interest therein all of which are ficrem called "the property"; reasonably necessary to the use thereof including, but not limited to, sanges, refrigerators, clothes washers, clothes dryers, or carpeting purchased or financed in whole of inspart with some times of write and all navinguls, at any time owine to defrower by virtue of any sale flease, transfer, conveyance, or condemnation The interest of the interest o payment thereof pursuant to the Consolidated Farm and Rural Development Act, or Title Worthe Housing Act of 1949 and 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 in the event the Government should assign this instrument without insurance of the payment of the note and any renewals and extensions thereof and any agreements contained therein, (b) at all times when the 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 advances and expenditures made by the Government, with interest, as all times to secure the prompt payment of all advances and expenditures made by the Government or in any supplementary agreement. Borrower does be the borrower does be the borrower does be the borrower does be the borrower and the performance of every covenant and agreement of Borrower and the performance of every covenant and agreement of Borrower does be the nerematter described, and the performance of every covenant and agreement of bottower contained nerem of in any suppre-mentary 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 (les) of \_\_\_\_\_KLAMATH

## DESCRIPTION OF PROPERTY

described real property situate in Klamath County, The following Oregon:

The Southeast quarter of Section 3 and Lots 6 and 7 of Section 2, in Township All South, Range 10 East of the Willamette Meridian, Klamath County,

SAVING AND EXCEPTING any portion of the herein property lying within Oregon. the boundaries of Roads or Railroad right of way.

ALSO EXCEPTING THEREFROM: A parcel of land situated in the SEN OF Section 3, Township 41 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows: Commencing at an axle marking the southwest corner of said SE%; thence N 00°17'30" E along the centerline of Merrill Or sard DEW, thence N OU I/ So E arong the Centerrine of Refirst Pit Road, a county road, 30.00 feet; thence S 89°04'13" E, 30.00 feet to the easterly right of way line of said Merrill Pit Road and the Point of beginning for this description; thence N 00°17'30" E along said right of way line, 2609.75 feet; thence S 89°40'30"

E, 258.42 feet; thence S 09°06'53" E, 2652.97 feet to the northerly right of way line of Falvey Road, a county road; thence N 89°04'13' Walong said northerly right of way line, 692.06 feet to the point of beginning, containing 28.49 acres, more or less.

ALSO EXCEPTING: A tract of land situated in Sections 2 and 3, Township 2 (Al South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows: Commencing E, along the centerline of the SE4 of said Section 3; thence s 89°04'04" on the easterly line of the Southern Pacific Railroad right of way; on the north line of Falvey Road, said point being the true point of beginning of this description; thence continuing on said easterly line, N 19°31'50" W, 1775.19 feet; thence S 89°10'18" E, 650.42 thence, Southeasterly along said right bank of Lost River; north line of Falvey Road; thence, N 89°14'23" W, along said north line, 740.62 feet, more or less, to the point of beginning, containing

Government for following properly attracted in the State of Oragon, County (1681 of 2 - - - KLAFA) !!

INDIVECTORIES are consideration of the norm(s) and (a) at all times when the more is bein by the Construction of the Feynman Should assign this instrument without instrument of the respiration of the respiration of the same as a construction of the respiration of the respiration of the same as a construction of the respiration of the

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together with all rights, interests, easements, thereditaments 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; holders. Borrowen shall continue to make payments on the note to the Government as collection agent for the holders; and the note is held; by an insured; holders with the note is held; by an insured; holders with the note is held; holders.

use (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;

LQ\_keep the property insured as required by and under insurance policies approved by, delivered to, and retained by the Covernment.

(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 on 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 and survey of the property, costs of recording this and other instruments, attorneys' fees, trustees' fees, court costs, and

(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

(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

(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

(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; using coss, of the Cosettung of the most plane wombistration.

(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
runtil some sother address is designated in a cnotice so given, in the united States Department of Agriculture, at Portland, Oregon 972 address stated above the designation and one pecunic of the con-	05; and in the case of Borrower to him at his post office in tellinous sex on the post of the control of the co
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