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Vol. M 79 Page 22885

USDA-FmHA
Form FmHA 427-1 OR
(Rev. 9-20-76)

REAL ESTATE MORTGAGE FOR OREGON

THIS MORTGAGE is made and entered into by

Douglas J. Puckett and Tyann C. Puckett, Husband and Wife

residing in

Klamath

County, Oregon, whose post office

address is

P.O. Box 51, Keno, Oregon 97627

, Oregon 97627

herein called "Borrower," and:

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) or assumption agreement(s), herein called "note," which has been executed by Borrower, is payable to the order of the Government; authorizes acceleration of the entire indebtedness at the option of the Government upon any default by Borrower; and is described as follows:

Date of Instrument	Principal Amount	Annual Rate of Interest	Due Date of Final Installment
September 27, 1979	\$35,500.00	9.0	September 27, 2010

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 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 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 _____

SEE LEGAL AS ATTACHED HERETO AND MADE A PART OF HEREOF

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 here'in 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, mortgages, or conveyances specified hereinabove, and COVENANTS AND AGREES as follows:

[illegible]

(2) To pay to the Government such fees and other charges as may now or hereafter be required by the Government against any loss under the note, and to pay to 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.

(2) To pay to the Government such fees and charges as the Farmers Home Administration.

(3) If required by the Government, to make additional monthly payments of 1/12 of the 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 without demand at the place designated in the latest note and shall be secured hereby. No payment made by Borrower from breach of his covenant to pay. Such advances, with interest, shall be a lien in favor of the Government on the property of Borrower. Otherwise, any payment made by Borrower may be applied to the payment of the principal of the note. The Government determines the order of application of payments.

(4) Whether or not the note is insured by the Government, all advances required herein to be paid by Borrower and not paid by him when due, as well as assessments, insurance premiums and interest on advances, 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 protection, or enforcement of this lien, as advances for the account of Borrower. All such advances shall be secured by a lien in favor of the Government on the property of Borrower, with interest, 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) When due all taxes, liens, judgments, encumbrances, and assessments lawfully attaching to or assessed against the property of Borrower, and assessments in connection with water, water rights, and water stock pertaining to or assessed against the property of Borrower, shall be paid by Borrower to the Government without delay, and promptly deliver to the Government without delay the property of Borrower described above, and promptly deliver to the Government without delay the property of Borrower described above.

(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 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) 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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(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 the address shown in the Farmers Home Administration Finance Office records (which normally will be the same as the post office address shown 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 this 27 day of SEPTEMBER, 19 79.

Douglas J. Puckett
Douglas J. Puckett

Tyann C. Puckett
Tyann C. Puckett

ACKNOWLEDGMENT FOR OREGON

STATE OF OREGON)

COUNTY OF Klamath) ss:

On this 27th day of September, 19 79, personally appeared the above-named Douglas J. Puckett and Tyann C. Puckett

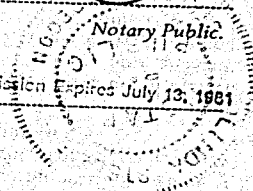
and acknowledged the foregoing instrument to be their voluntary act and deed. Before me:

(NOTORIAL SEAL)

Linda Steller

My Commission expires

My Commission Expires July 13, 1981



DESCRIPTION

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PARCEL 1

All that portion of Section 31, Township 39 South, Range 8 East, and Section 6 Township 40 South, Range 8 East of the Willamette Meridian, lying Northeasterly of the Klamath River and Southeasterly and Southwesterly of the Easterly and Southerly Rights-of-Way of Oregon State Highway No. 66 as the same is presently located and Constructed.

EXCEPTING THEREFROM the following:

A parcel of land situated in Township 39 South, Range 8 East, Section 31 and Township 40 South, Range 8 East, Section 6 more particularly described as follows:

Beginning at a point on the Easterly right of way of Highway 66 (Green Springs Highway), from which the Southeast corner of said Section 31 bears South 78° 32' 17" East 4025.34 feet, thence from said point of beginning Northeasterly along the Easterly right of way line of said Highway 66 the following two courses

North 31° 08' 57" East 976.14 feet, thence along the arc of a 1392.40 feet radius curve to the right (= 06° 28' 00" chord = North 34° 22' 57" East 157.07 feet) 157.15 feet, thence leaving said Easterly right of way line of said Highway 66 South 44° 00' 11" East 763.63 feet to a 5/8" iron pin, thence South 32° 44' 20" East 358.44 feet to a 5/8" iron pin, thence South 28° 26' 27" East 373.65 feet to a 5/8" iron pin, thence South 23° 11' 48" East 1231.74 feet to a 5/8" iron pin, thence South 66° 45' 23" West 809.13 feet to the Mean High Water line of the Klamath River, thence Northwesterly along the Mean High Water Line to the said Klamath River the following ten bearings and distance: North 20° 05' 12" West 184.88 feet, North 27° 59' 43" West 318.22 feet, North 23° 33' 53" West 480.79 feet, North 29° 34' 22" West 222.65 feet, North 41° 35' 28" West 128.40 feet, North 52° 33' 18" West 300.06 feet, North 54° 45' 49" West 193.57 feet, South 74° 27' 22" West 47.87 feet to a 5/8" iron pin, North 56° 11' 14" West 98.01 feet to a 5/8" iron pin, North 38° 04' 07" West 184.13 feet, to the point of beginning.

PARCEL 2

A portion of the SW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, and NW $\frac{1}{4}$ SE $\frac{1}{4}$, of Section 31, Township 39 South, Range 8 East of the Willamette Meridian, more particularly described as follows: Beginning at the intersection of Old Klamath Falls-Ashland Highway and the new Highway as now located; thence Northeasterly along the Northerly right of way line of the new Klamath Falls-Ashland Highway to its intersection with the Southerly right of way line Clover Creek County Road; thence Northwesterly along said Southerly line to its intersection with Southerly right of way line of the Old Highway; thence Southwesterly along said Southerly right of way line of the Old Klamath Falls-Ashland Highway line to the point of beginning

DESCRIPTION

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PARCEL 2

EXCEPTING THEREFROM the following:

Beginning at a 5/8 inch iron pin marking the intersection, of the Southwesterly right-of-way line of Clover Creek Road, a county road, with the Northerly right-of-way line of Oregon Highway No. 66 at a point-on-curve of said Highway 66; thence along said Northerly right-of-way line of Highway 66 and the arc of a 398.10 feet radius curve to the left (delta = $36^{\circ} 39' 17''$ long chord = South $68^{\circ} 50' 10''$ West, 250.36 feet) 254.68 feet to a 5/8 inch iron pin at the end of curve; thence S $50^{\circ} 30' 32''$ West, 285.08 feet, thence leaving said Northerly right-of-way line of Highway 66 North $50^{\circ} 20' 00''$ West, 165.37 feet; thence North $46^{\circ} 02' 47''$ East, 520.36 feet to a 5/8 inch iron pin on said Southwesterly right-of-way line of Clover Creek Road; thence South $46^{\circ} 35' 18''$ East along said Clover Creek Road right-of-way line, 283.80 feet to the point of beginning.

FURTHER EXCEPTING THEREFROM the Following:

The Northeasterly 133.5 feet of the following-described real property situate in Section 31, Township 39 South, Range 8 E., W.M.

Beginning at a point on the Southeasterly right of way of the old County, Road, known as "Puckett Road" from which the most Easterly corner of Lot 1, Block 1, Klamath River Acres bears the following two bearings and distances: North $46^{\circ} 02' 47''$ East 173.37 feet, North $46^{\circ} 35' 18''$ West 291.18 feet, thence from said point of beginning South $48^{\circ} 27' 48''$ East 194.13 feet thence South $46^{\circ} 02' 47''$ West 353.37 feet, North $50^{\circ} 20' 00''$ West 195.75 feet to the Southeasterly right of way of said "Puckett Road", thence North $46^{\circ} 02' 47''$ East along the Southeasterly right-of-way of said "Puckett Road" 359.78 feet to the point of beginning,

PARCEL 3

A portion of Lot 9, Section 5, Township 40 South, Range 8 East of the Willamette Meridian described as follow: Beginning at the Northwest Corner of Section 5, Township 40 South, Range 8 East of the Willamette Meridian, which point is also the Northwest corner of Lot 9; thence South along the West line of Section 5 to the Northerly bank of the Klamath River; thence South $84^{\circ} 30'$ East 1044.8 feet to a point; thence North 4° West 1063.9 feet, more or less, to the North boundary of Section 5; thence West along the North boundary of Section 5 to the point of beginning.

PARCEL 3 continued

EXCEPTING THEREFROM any portion which lies Northeasterly of the Southwesterly right-of-way line of the Weyerhaeuser-Logging Road.

EXCEPTING THEREFROM Parcels, 1, 2 and 3 above the right-of-way of The Weyerhaeuser Company haul road.

ALSO EXCEPTING THEREFROM, Parcels 1, 2 and 3 above, the following:

A strip of land 66 feet in width lying 33 feet on each side of a center line as now staked on the ground and more particularly described as follows:

Beginning at the intersection of the East line of the Puckett tract in Section 31, Township 39 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, with the South boundary of the State Highway right of way; thence South 23° East along said line a distance of 418 feet more or less to the true point of beginning; thence North 62° 36' West a distance of 658 feet more or less to the East boundary of the Old County Road right of way, less such portions of the above described strip as are contained in public road rights of way.

ALSO EXCEPTING THEREFROM, Parcels, 1, 2, and 3 above, the following:

A strip of land 80 feet in width situate in the Northeast quarter of the Southwest quarter of Section 31, Township 39 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon lying 40 feet on each side of the centerline of the Weyerhaeuser Timber Company's railroad as now constructed and more particularly described as follows:

Beginning at the Engineer's Station 356+63.00, said point being on the centerline of said railroad which bears South 62° 36' East a distance of 544.97 feet from the intersection of said railroad centerline with the centerline of the Ashland Klamath Falls, Highway; thence North 62° 36' West a distance of 770.00 feet to Engineer's Station 364+33.00, said point being the intersection of said railroad centerline with the centerline of the Old County Road, excepting those parts of the above described strip of land previously deeded to the State Oregon and Klamath County as right of way.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Mountain Title Co.

this 27th day of September A. D. 19 79 at 5:52 clock P. M., on

July recorded in Vol. 479, of Mortgages on Page 22885

By Wm D. MILNE, County Clerk
Bernetha Whitcomb

Fee \$24.50