

USDA-FmHA

Form FmHA 427-1 OR
(Rev. 4-21-81)Vol. 185 Page 2813

REAL ESTATE MORTGAGE FOR OREGON

46259

THIS MORTGAGE is made and entered into by Thomas W. Mallams and Beverly S. Mallams,

husband and wife

residing in Klamath

County, Oregon, whose post office

address is P. O. Box 16, Beatty, Oregon 97621,
herein called "Borrower," and the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture, herein called the "Government," and:

WHEREAS Borrower is indebted to 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	Due Date of Final
		of Interest	Installment
January 7, 1985	\$14,500.00	10.25%	January 7, 1986
June 24, 1978	55,000.00	5.00%	June 24, 2018
June 30, 1978	37,000.00	8.00%	June 30, 1985
June 30, 1978	20,000.00	5.00%	June 30, 2018
February 2, 1979	27,500.00	8.50%	February 2, 1986

(CONTINUED)

rate may be changed as provided in the note.) NA % for farm ownership or operating loan(s) secured by this instrument, then the rate may be changed as provided in the note.)

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, or any other statutes administered by the Farmers Home Administration;

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;

And this instrument also secures the recapture of any interest credit or subsidy which may be granted to the Borrower by the Government pursuant to 42 U.S.C. §1490a.

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 herein-after 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, to-wit:

PARCEL 1: The $\frac{S}{2}$ of the $\frac{SE}{4}$ of the $\frac{SW}{4}$, and the $\frac{W}{2}$ of the $\frac{SW}{4}$, All Section 35, Township 35 South, Range 12 East of the Willamette Meridian in the County of Klamath, State of Oregon.

PARCEL 2: The $\frac{SE}{4}$, the $\frac{NW}{4}$, the $\frac{SW}{4}$ of the $\frac{NE}{4}$ and the $\frac{W}{2}$ of the $\frac{SE}{4}$ of the $\frac{NE}{4}$ All Section 2, Township 36 South, Range 12 East of the Willamette Meridian, in the County of Klamath, State of Oregon

(Continued on next page)

The above is the same property recorded in Mortgage records of said County under Vol. M83 on page 4391; Vol. M82 on page 974; M80 on page 8910; Vol. M78 on page 14210; Vol. M78 on page 16113; Vol. M84 on page 4388.

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.

RECEIVED 22 FEBRUARY 1968 IN CASE OF THE MILLERIDGE COLLECTION IN THE UNITED STATES OF AMERICA
EXHIBIT 1: THE 1st OF THE 2nd OF THE 3rd AND THE 4th OF THE 5th AND THE 6th OF THE 7th

100-443887-1000

1. The Commission has received information from the Government of the Republic of the Philippines that the Government is planning to conduct a study on the feasibility of establishing a new port in the area of the proposed port of call for the proposed shipping line. The Commission is aware that the Government is also planning to conduct a study on the feasibility of establishing a new port in the area of the proposed port of call for the proposed shipping line. The Commission is aware that the Government is also planning to conduct a study on the feasibility of establishing a new port in the area of the proposed port of call for the proposed shipping line.

10. The Commission has been informed that the Government of the Republic of Armenia has taken measures to ensure the safety of the border area and to prevent the entry of weapons and explosives into the country. The Commission has also been informed that the Government of the Republic of Armenia has taken measures to ensure the safety of the border area and to prevent the entry of weapons and explosives into the country.

...the ...

together with all rights, interests, easements, hereditaments and appurtenances thereunto in anywise belonging or in anywise capable of being enjoyed, and the profits thereof and revenues and income therefrom.

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, carpeting purchased or financed in whole or in part with loan funds, all water, water rights, and water stock pertaining hereto, and all payments at any time owing to Borrower by virtue of any sale, lease, license, or other agreement of any part thereof or interest therein, all of which are hereby assigned to Lender, together with all rights and remedies in and to the same, shall be deemed to be assigned to Lender.

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

(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 nonpayment at all times when the note is held by an insured holder.

(2) To pay to the Government such fees and other charges as may now or hereafter be required by regulations of Farmers Home Administration.

(4) Whether or not the note is insured by the Government, the Government may at any time pay any other sums required herein to be paid by Borrower and not paid by Borrower when due.

(5) All advances by the Government as described in this instrument, with interest, shall be immediately payable by Borrower to the Government without demand at the place designated in the instrument. No such advance by the Government shall be subject to any lien, charge, mortgage, or other encumbrance in favor of any person other than the Government, and the Government shall not be bound to make any advance to the Borrower until the principal and interest on all previous advances have been paid in full. The Government shall not be bound to make any advance to the Borrower until the principal and interest on all previous advances have been paid in full. The Government shall not be bound to make any advance to the Borrower until the principal and interest on all previous advances have been paid in full.

(6) To use the loan evidenced by the note solely for purposes of the Government secured hereby, in any order the

(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 reasonably necessary to the use of the real property described above; and promptly deliver to the water user all receipts evidencing such payments.

and promptly deliver to the Government without

(8) To keep the property insured as required by and under insurance policies approved by the Government and, at its request, to deliver such policies to 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, or conveying the property.

(12) Neither the property nor any portion thereof or interest therein shall be leased, 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, sub-ordinations, 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 (a) extend or defer the maturity of, and renew and reschedule the payments on, the debt evidenced by the note or any indebtedness to the Government secured by this instrument, (b) release any party who is liable under the note or for the debt from liability to the Government, (c) release portions of the property and subordinate its lien, and (d) waive any other of its rights under this instrument. Any and all this can and will be done without affecting the lien or the priority of this instrument or Borrower's or any other party's liability to the Government for payment of the note or debt secured by this instrument unless the Government says otherwise in writing. HOWEVER, any forbearance by the Government—whether once or often—in exercising any right or remedy under this instrument, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

(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, or 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 Borrower 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.

(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, at Portland, Oregon 97204, and in the case of Borrower 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 hereof 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 7th day of January, 19 85.

Thomas W. Mallams
THOMAS W. MALLAMS

Beverly S. Mallams
BEVERLY S. MALLAMS

ACKNOWLEDGMENT FOR OREGON

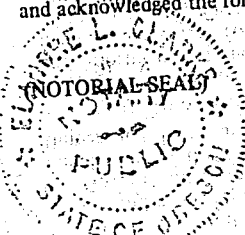
STATE OF OREGON

COUNTY OF KLAMATH

On this 7th day of January, 19 85, personally appeared the above-

named Thomas W. Mallams and Beverly S. Mallams, husband and wife

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



Elaine L. Clark
Notary Public.

My Commission expires 8/15/86

Farmers Home Administration, USDA
2455 Patterson St., Suite #1
Klamath Falls, OR 97603

5812

THOMAS W. MALLAMS AND BEVERLY S. MALLAMS

CONTINUATION SHEET

<u>Date of Instrument</u>	<u>Principal Amt.</u>	<u>Annual Rate of Interest</u>	<u>Due Date of Final Installment</u>
May 5, 1980	\$ 6,200.00	11.0%	May 5, 2000
May 12, 1980	35,320.00	5.0%	May 12, 1987
January 22, 1982	21,250.00	14.5%	January 22, 1989
March 15, 1983	13,000.00	10.25%	March 15, 1987

STATE OF OREGON,)
County of Klamath)
Filed for record at request of

on this 25th day of February A.D. 19 85
at 2:29 o'clock P M, and duly
recorded in Vol. M85 of Mortgages
page 2813

EVELYN BIEHN, County Clerk

By [Signature] Deputy

Fee 21.00