

USDA-FmHA  
Form FmHA 427-1 OR

Vol 185 Page 6794

(Rev. 4-21-81)

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**REAL-ESTATE MORTGAGE FOR OREGON**

THIS MORTGAGE is made and entered into by

**Carl E. Croy and Linda F. Croy,**

husband and wife

**Klamath**

County, Oregon, whose post office

residing in

**P. O. Box 844, Merrill**

, Oregon **97633**

address is **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 of Interest	Due Date of Final Payment
May 2, 1985	\$73,200.00	7.25%	May 2, 1986

TO HAVE AND TO HOLD the property unto the Government and its assigns (to be known as the "Mortgage")

(If the interest rate is less than 10.25% 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 Govern-

ment the following property situated in the State of Oregon, County(ies) of **Klamath, to-wit:**

The NE $\frac{1}{4}$ NE $\frac{1}{4}$  and that portion of Government Lot 7 that lays Northerly of the Southern Pacific Railroad right of way in Section 12, Township 41 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon, EXCEPTING THEREFROM that portion of the NE $\frac{1}{4}$ NE $\frac{1}{4}$  which lies within the Dalles-California Highway.

ALSO EXCEPTING a right of way deeded to the Central Pacific Railway Company, by deed recorded in Book 85, page 434, over and across Lot 7, Section 12, Township 41 South, Range 10 East of the Willamette Meridian.

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(6) To use the loan evidenced by the note solely for purposes authorized by the Government determines.

(7) To pay when due all taxes, liens, judgments against the property included in the advance made by the Government without demand at the place designated in the latest note and shall be secured here-  
 made by borrower may be applied on the note or any indebtedness to the Government secured hereby, in any order the Government determines.

(3) If required by the Government, the Government may now or hereafter be required by regulations of 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.

(i) To pay promptly when due any indebtedness to, or conveyances specified hereinabove, and COVENANTS AND AGREEMENTS, reservations, or conveyances against all lawful claims and demands whatsoever except any liens, encumbrances, easements, or conveyances against the Government and its assigns forever in fee simple.

And it is the purpose of this report to inform the Government and the public of the results of the study. The study was conducted by the National Bureau of Economic Research, Inc., a non-profit organization, and the results are being made available to the public in the form of this report. The study was conducted by the National Bureau of Economic Research, Inc., a non-profit organization, and the results are being made available to the public in the form of this report.

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The United and Plantations of Government Lot 7 that says northerly of the  
Southern Pacific Railroad right of way in Section 12, Township 41 South,  
the Williams River, in the County of Klamath, State of  
Oregon, which lies within the

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(8) To keep the property insured against fire and other 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 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 is given in full satisfaction of the loan for which it is given and no other security instrument shall be required.

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(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.

(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.

any and all provisions herein are declared to be severable. If any provision of this Agreement is held to be unenforceable, the remaining provisions shall remain in full force and effect. This Agreement shall be binding upon the undersigned and their heirs, assigns, and legal representatives. The undersigned hereby certifies that the foregoing is a true and correct copy of the original Agreement. Witness my hand and seal this 1st day of January, 1998.

[illegible][illegible]

(12) The blossoms of tomorrow are still as bright in the garden as they were in the days of yesterday.

OF THE STATE OF NEW YORK, COUNTY OF ALBANY, ss. I, the undersigned, Clerk of the said County, do hereby certify that the within and foregoing is a true and correct copy of the original thereof, as the same appears from the records of the said County.

[illegible]

(1d) SHOULD DEVELOP occur in the performance of functions of the position as required by the organization or its component parts.

(1e) Develop personnel who contribute directly to the achievement of organizational goals.

WITNESS the hand(s) of Borrower this 2nd day of May, 19 85.

(12) Carl E. Croy  
CARL E. CROY

\_\_\_\_\_  
LINDA F. CROY

**ACKNOWLEDGMENT FOR OREGON**

I, SS: [Signature], of the County of Clatsop, State of Oregon, do hereby certify that the foregoing is a true and correct copy of the original as the same appears from the records of the County of Clatsop, State of Oregon.

Witness my hand and the seal of said County, this 10th day of April, 1920.

County Clerk

On this 2nd day of May, 1985

On this day of May, 1985, personally appeared the above-  
 signed Carl E. Croy and Linda F. Croy, husband and wife, who acknowledged to me that they executed the foregoing instrument for the purposes and consideration therein expressed.

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

NOTARIAL SEAL  
 1910  
 ELANORE L. CLARKE  
 Notary Public.

My Commission expires 8/15/86  
Return to \_\_\_\_\_

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

OF OREGON: COUNTY OF KLAMATH:ss  
 hereby certify that the within instrument was received

I hereby certify that the within instrument was received and filed for  
 on the 7th day of May A.D., 1985 at 2:37 o'clock P M,  
 recorded in Vol M85, of Mortgages on page 6794

on page 794

EVELYN BIEHN, COUNTY CLERK

by: *[Signature]* *[Signature]*

\$ 17.00

by: William Smith, Deputy