

REINHOLD
Form EMHA 427-7 OR
Revised 2-8-78

Volume 3

VOL 38

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REAL ESTATE DEED OF TRUST FOR OREGON

(Rural Housing)

VOL.

PAGE

THIS DEED OF TRUST is made and entered into by and between the undersigned

LESTER L. NEUMAYER and SHAROLYN KAY NEUMAYER, husband and wife.

residing in

KLAMATH County, Oregon, as grantor(s), herein
called "Borrower," and the Farmers Home Administration, United States Department of Agriculture, acting through the
State Director of the Farmers Home Ad

1220 S.W. 3rd

Ave., Portland

Oregon 97204, as trustee, herein called "Trustee," and the United States of
America, acting through the Farmers Home Administration, United States Department of Agriculture, as beneficiary, herein
called the "Government."

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,
and includes acceleration of the entire
described as follows:

Date of Note	Principal Owed	Annual Rate of Interest	Due Date of Final Installment
September 15, 1978	26,000.00	8.50	September 15, 2011

And the note evidenced by Note to Borrower, and the Government, at any time, may assign the note and insure the payment
thereof pursuant to 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 in its insurance contract by reason of any default by Borrower.

NOW, THEREFORE, in consideration of the above, Borrower hereby grants, bargains, sells, conveys, warrants and
mortgages to Trustee the following described property situated in the State of Oregon, County(s) of

KLAMATH

which said described real property is not currently used for agricultural, timber or grazing purposes:

Lots 11 and 12, Block 30, MALIN, in the County of Klamath, State of
Oregon.

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together with all rights, interests, property, chattels and revenues held thereon or thereto belonging, the rents, issues, and reversionary interest in the land, buildings, fixtures, and personal property now or later attached thereto or in competing standard of currency, and all goods and all rights and all interests existing by Borrower by virtue of any sale, lease, transfer, conveyance, or condemnation of any part thereof or interest in the land of which the same called "the property".

TO HAVE AND TO HIRE the property herein described, his successors, grantees and assigns forever, subject to all debts which the note is held by the Government, or in the event the Government repossesses and re-retains the property, to secure prompt payment of the note, to secure prompt payment of the note and any agreement or covenants, expressed or implied, contained therein, including any provision for the payment of an amount to the state held by an insured holder, to secure performance of Borrower's obligations to the Government against loss under its insurance endorsement by reason of any default by Borrower, and to make all efforts and at all times to secure the prompt payment of all advances and expenditures made by the Government, with respect to the property herein described, and the performance of every covenant and agreement of Borrower contained herein, and to indemnify and protect the provisions of which are hereby incorporated herein and made a part hereof.

BORROWER for himself, his heirs, executors, administrators, successors and assigns **WARRANTS** the property and the title thereto unto Trustee for the benefit of the Government against all lawful claims and demands whatsoever except any liability to the State of Alaska, the Commonwealth, the territory or territories 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 all losses and expenses of the note by reason of any default by Borrower. At all times when the note is held by the State of Alaska, Borrower shall continue to make payments on the note to the Government, to cover the amount for the holder.
- (2) To pay to the Government such taxes, assessments, charges or dues as may thereafter be required by regulations of the State of Alaska Administration.
- (3) To pay to the Government the sum of additional monthly payments of \$12 of the estimated annual taxes, assessments, insurance premiums and other charges upon the mortgaged premises.
- (4) Whenver it is not the note is paid by the Government, the Government may at any time pay any other amounts required by law 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 note 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 release Borrower from breach of his covenant to pay. Such advance, 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 indorsement to the Government secured hereby, in any order the Government determines.
- (6) To use the loan evidence of the note solely for purposes authorized by the Government.

(14) To pay when due all taxes, bonds, assessments, encumbrances, and assessments lawfully attaching to or assessed against the property, including all charges and expenses in connection with water, water rights, and water stock pertaining to or required for necessary to the use of the property described above, and promptly deliver to the Government without demand receipts evidencing such payment.

(15) To keep the property unencumbered except by valid unpaid insurance policies approved by, delivered to, and retained by the Government.

(16) To maintain improvements, its ground, timber, and mineral deposits, owned by the Government, operate the property in a good and husbandmanlike manner, comply with such farm operation practices and farm and home management plans as the Government from time to time may prescribe, and not contaminate the property, or cause or permit waste, lessening or impairing the security created hereby, to withhold the maximum amount of the Government's cut, remove, or lease any timber, gravel, oil, gas, coal, or other mineral if no expense is necessary for ordinary domestic purposes.

(17) To comply with all laws, or rules, or regulations affecting the property.

(18) To pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and priority hereof, and by the enforcement of, or in connection with the provisions hereof and of the note and any supplemental agreement, whether before or after default, including but not limited to costs of evidence of title to and delivery of the property, court costs, reasonable attorney's fees, trustee's fees, court costs, and expenses of a suit, selling, and surveying the property.

(19) Neither the property nor any interest therein shall be leased, assigned, sold, transferred, or otherwise voluntarily alienated, except the written consent of the Government. The Government shall have the sole and exclusive right to benefit and benefit, and may do so, and annex to the power to grant covenants, partial releases, and assignments, and options, and to do all other acts necessary, attorney's fees, trustee's fees, court costs, and expenses of a suit, selling, and surveying the property.

(20) At all reasonable times the Government may inspect the property to ascertain whether the covenants and agreements contained herein are being observed and maintained the right evidenced by the note or any instrumentality for the payment of the same hereof, and to exercise any other rights herein granted, without affecting the ownership, benefit, or the fiduciary duty to the Government and Borrower or any other party, for payment of the note or instrumentality secured hereby, except as provided for in this instrument in writing.

(21) From 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 purposes of the note, the Government will, upon the Government's request, apply for and accept such loan in substitution of the note to the Government, and to pay for any stock necessary to be purchased in a cooperative lending agency, and to execute such documents as may be required by the Government.

(22) For and hereunder waives and releases all rights under any other real estate, or under any personal property or other security instrument held or retained by the Government, still excepted or retained by Borrower, and default under any such other security instrument shall not affect this instrument.

(23) SHOULD DEFAULT occur in the performance or obligation 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 foreclose, or make an assignment for the benefit of creditors, the same with any indebtedness to the Government hereby secured immediately thereafter the entire amount unpaid under the note with any reasonable expenses for repair or maintenance of and take full payable, for the removal of Borrower and his personal property and production of this instrument, without other process, or notice or notice of the property, and when application for it and production of this instrument, without other process, or notice or notice of the property, or any part thereof, have a receiver appointed for the property, with the usual powers of receivers in like cases, and the same trustee to collect the instrument and sell the property as provided by law.

(24) "WAIVER: THE BORROWER ACKNOWLEDGES AND AGREES THAT IF HE DEFAULTS A NONJUDICIAL FORECLOSURE SALE OF THE PROPERTY MAY BE CONDUCTED WITHOUT A HEARING OF ANY KIND AND WITHOUT NOTICE BEING GIVEN THE PUBLICATION OF THE NOTICE OF SALE. THE BORROWER HEREBY WAIVES ANY RIGHTS HE MAY HAVE TO ANY SUCH HEARING AND NOTICE. NEVERTHELESS, THE REGULATIONS OF THE FARMERS HOME ADMINISTRATION IN EFFECT AT THE TIME SUCH FORECLOSURE IS STARTED MAY PRESERVE HIS NOTICE AND A HEARING AND THE GOVERNMENT WILL FOLLOW THESE REGULATIONS."

(25) At the request of the Government, to foreclose on this instrument by advertisement and sale of the property as provided by law, for cash or memorandum of the opinion of the Government, such sale may be adjourned from time to time without other notice than the publication of the time and place appointed for such sale and notice made on the posted notice; and at such sale the Government and its agents may bid and purchase as a stranger. Trustee at his option may conduct such sale without being personally present, through his delegate authorized by him for such purpose orally or in writing and Trustee's execution of a conveyance of the property or any part thereof to any purchaser at foreclosure sale shall be conclusive evidence that the sale was conducted by Trustee personally or through his delegate duly authorized in accordance herewith.

(26) The proceeds of the above sale shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcement, collection, and collection of any prior liens required by law or a competent court to be paid; (b) the debt evidenced by the note and indebtedness to the Government secured hereby; (c) inferior liens of record, excepted by law as a charge that cannot be avoided; (d) at the Government's option, any other indebtedness of Borrower owing to or measured by the note, interest, and any balance to Borrower. In case the Government is the successful bidder at foreclosure for other claims, and any part of the property, the Government may pay its share of the purchase price, and the remaining shall remain the property of the Government, in the order prescribed above.

(23) All powers and authorities granted in this instrument are coupled with an interest and are irrevocable by death or other cause, and the rights and powers so provided for shall not be construed as disabilities to remedy provided by law.

(24) Borrower agrees that the Government may not be bound by any present or future laws, (a) providing for valuation, appraisal, assessment and collection of taxes, (b) prescribing the procedure and manner of action for a deficiency judgment or foreclosing the security interest in the property which would not bind the Borrower, (c) prescribing any other statute of limitations, (d) allowing any right of redemption, (e) providing for recording any instrument of title, (f) requiring the conditions which the Government may by regulation prescribe, including the interest rate or any charge, as a condition of approving a transfer of the property to a new borrower. Borrower expressly waives the benefit of any such State laws. Borrower hereby relinquishes all the rights, causes and remedies for compensation, of descent, delivery, and carriage.

(25) 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 unenclosed dwelling wherein called "the dwelling" and if Borrower intends to sell or rent the dwelling and has obtained the Government's consent, made in writing neither Borrower nor anyone authorized to act on his behalf, other than a duly certified agent, may advertise for the sale or rental of the dwelling or will otherwise make available or deny the dwelling to anyone because of race, color, religion, sex, or national origin, and (b) Borrower recognizes and affirms the disclosure and (c) is exempt from or attempt to enforce any restrictive covenants on the dwelling relating to race, color, religion, sex, or national origin.

(26) This instrument shall be subject to the present regulations of the Farmers Home Administration, and to its future regulations not inconsistent with the above given consent.

(27) Notary power terminates when delivered by certified mail, unless otherwise required by law, addressed, unless and until lawfully received at the post office address given in the case of the Government to Farmers Home Administration, United States Department of Agriculture, Portland, Oregon, 97208 and in the case of Borrower to him at his post office address stated above.

(28) Every full and frank accounting and adjustment hereinafter set forth and the performance and discharge of each and every covenant, agreement and stipulation, expressed or otherwise contained herein or secured hereby, the Government shall report to him by a duly certified agent, and the Government may at any time require Borrower to his home post office address a deed of reconveyance of the property within 60 days after written demand and by Borrower, and Borrower hereby waives the benefit of all laws requiring notice or delivery of such deed of reconveyance.

(29) In the event provision of this instrument or any part thereof to any person or circumstance is held invalid, such invalidity will not affect other grants or applications of the instrument which can be given effect without the invalid provision or application, and so that the provisions hereof are declared to be severable.

Witness the day and year as follows:

15th

September

, 1978

Lester L. Neumeyer
LESTER L. NEUMAYER

Sharolyn Ray Neumeyer
SHAROLYN RAY NEUMAYER

ACKNOWLEDGMENT
FOR OREGON

STATE OF OREGON

COUNTY OF Klamath

On the

15th

of SEPTEMBER

1978

LESTER L. NEUMAYER and SHAROLYN RAY NEUMAYER, husband and wife

and acknowledged the foregoing instrument to be

their

voluntary act and deed. Before me:

[NOTARIAL SEAL]

Notary Public

My Commission expires

4/5/80

STATE OF OREGON: COUNTY OF KLAMATH,

I hereby certify that the within instrument was received and filed for record on the 22nd day of September A.D. 1978 at 3:49 o'clock P.M., and duly recorded in Vol. M78,

all Mortgages

21036

1st

\$12.00

WILLIAM E. MILLIN, County Clerk

By *James C. Schell*

Deputy