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USDA-FmHA  
Form FmHA 427-7 OR  
Revised 7-8-76  
**REAL ESTATE DEED OF TRUST FOR OREGON**  
(Rural Housing)

(2) This deed of trust is made and entered into by and between the undersigned,

(4) Mortgage of the note **RICHARD T. REEVES**

(1) If recorded by the Government to make same a mortgage, the Government

(1) To be to the Government and the Government as trustee, herein called "Trustee," and the United States of

residing in **Klamath**

called "Borrower" and the Farmers Home Administration, United States Department of Agriculture, acting through the

the Government and the Government as trustee, herein called "Trustee," and the United States of

State Director of the Farmers Home Administration for the State of Oregon whose post office address is **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," 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 Installment**

**July 16, 1976** **19,200.00** **8.5%** **July 16, 2009**

**October 3, 1977** **5,256.00** **8.0%** **October 3, 2010**

**January 8, 1979** **11,230.00** **8.75%** **January 8, 2012**

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 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 constitute an indemnity mortgage to the Government, or in the event the Government should assign this instrument without insurance of the note, this instrument

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**Klamath**  
which said described real property is not currently used for agricultural, timber or grazing purposes:  
\*\* This instrument shall secure the recapture of any interest credit or  
subsidy involving the loan evidenced by the note which may be granted  
to the borrower by the Government pursuant to 42 U.S.C. 1490 a.  
Lot 2, Block 14, Town of Merrill, according to the official plat thereof  
on file in the office of the County Clerk of Klamath County, Oregon,  
Subject to:  
Deed of Trust: Ted Mann and Marilyn S. Mann, dated July 16, 1976, recorded  
in Mortgage records of Klamath County in Vol. M76, page 10832.  
Deed of Trust granted by Ted Mann and Marilyn S. Mann, dated October  
3, 1977, recorded in Mortgage records of Klamath County in Vol. M77,  
page 10839.







(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.

(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 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 beneficiary 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, except as specified by the Government in writing.

(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 under any personal property or other 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; and (d) authorize and request Trustee to foreclose this instrument and sell the property as provided by law.

(18) "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 BEYOND 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 PROVIDE FOR NOTICE AND A HEARING AND THE GOVERNMENT WILL FOLLOW THESE REGULATIONS."

(19) At the request of the Government, Trustee may foreclose this instrument by advertisement and sale of the property as provided by law for cash or secured credit at the option of the Government; such sale may be adjourned from time to time without other notice than oral proclamation at the time and place appointed for such sale and correction made on the posted notices; 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.

(20) 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. In case the Government is the successful bidder at foreclosure or other sale of all or any part of the property, the Government may pay its 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.



