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 Marrill, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon,

Deed of Trust: Ted Mann and Marilyns. 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 18839.

Deed of Trust granted by Ted Mann and Marilyn S. Mann, Joted October 3, 1977, recorded in Mortgage records of Klamath Count, in Vol. "77, In Mortgage records of Klamath County in Vol. M75, Page 19839. Deed of Trust: Ted Mann and Marilyns, Mann, dated July 16, 1976, recorded Subject to: on file in the office of the County Clerk of Klamath Csunty, Oregon, Lot 2, Block 14, Town of Merrill, according to the official plat thereof to the borrower by the Government pursuant to 42 U.S.C. 1490 a. subsidy involving the Loan evidenced by the note which may be granted This instrument shall secure the recapture of any interest credit or which said described real property is not currently used for agricultural, tumber of gracing purpose NOW, THEREFORE, in consideration of the lean(s) Borrower hereby grants, hargonic and montgages to Trustee the following described property structed in the State of Oregon a monty as a second contract of the state of Oregon. $^{\frac{4}{4}}$ where the forecast which described and the second of the s ARTHUR TO THE TOTAL TO THE TOTAL THE TOTAL TOTAL TOTAL TOTAL THE TOTAL T Coverment and themsent the Coverment should an entitle the cover without the same of the contract of 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 Bonower by virtue of any sale, lease, transfer, conveyance, or condemnation of any part thereof or interest therein-all of which are herein called "the property"; TOTHAVE AND TO HOLD the property unto Trustee, his successors, grantees and assigns forever; IN TRUST, NEVERTHELESS, (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, including any provision for the payment of an insurance (traffice charge, (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 endorsement 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 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 Coverinnent, with interest, as hereinafted described, and the performance of every covenant and agreement of made by the Coverinnent, with interest, as hereinafted described, and the performance of every covenant and agreement of Borrower contained herein or in supplementary agreement the provisions of which are hereby incorporated herein and made a part necess. BORROWER For Himself, his heirs, executors, administrators, successors and assigns WARRANTS the property and the Gite therete unto Trustee for the benefit of the Government against all lawful claims and demands whatsoever except any liens, enclimbrances, easements, reservations, or conveyances specified mereinabove, and COVENANTS AND AGREES as State Dill 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 any default by Borrower. At all cuinses when the note is held by an insuled holder. Bortower shall continue to make payments on the note to the Government, as collection agent for the holder.

(2) To pay to the covernment such fees and other charges as may now or hereafter be required by regulations of the (3) If required by the Covernment, to make additional monthly payments of 1/12 of the estimated annual taxes, Farmers Home Administration. assessments, insurance premiums and other charges upon the mortgaged premises. (4) Whether or not the note is listed 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, protectioning enforcement of this lian 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 relieve Borrower from breach of his covenant to pay. Such advances, with interest, 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 hvallable collections indebted from Borrower (Athornesse, any payment made by Borrower may shall be repaid from the notice of the Covernment 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 nurpose authorized by the Government.

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(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 use property, meaning an energies 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 pand 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 (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 from time to time may prescribe; and not to abandon the property, or cause or permit waste, lessening or impairment form time to time may prescribe; and not to abandon the property, or cause or permit waste, lessening or impairment from time to time may prescribe; and not to abandon the property, or cause or permit waste, lessening or impairment from time to time may prescribe; and not to abandon the property, or cause or permit waste, lessening or impairment from time to time may prescribe; and not to abandon the property, or cause or permit waste, lessening or impairment from time to time may prescribe; and not to abandon the property, or cause or permit waste, lessening or impairment from time to time may prescribe; and not to abandon the property, or cause or permit waste, lessening or impairment from time to time may prescribe; and not to abandon the property, or cause or permit waste, lessening or impairment from time to time may prescribe; and not to abandon the property, or cause or permit waste, lessening or impairment from time to time may prescribe; and not to abandon the property, or cause or permit waste, lessening to the control of the Government, cut, remove, or lease any or impairment of time to time may prescribe; and not to abandon the property, or cause or permit waste, lessening to the control of the Government, cut, remove, or lease any or impairment of time to time may prescribe; and not to abandon the property, or cause or permit waste, lessening to the control of the Government, cut, remove, or lease any or impairment of time to ti

(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 supplementary agreement (whether before of after definity, 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 (12) Neither the property nor any portion thereof or interest therein shall be leased, assigned, sold, transferred, of encumbered William 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, and exclusive rights as beneficiary hereunder, including but not limited to the power to grant consents, partial releases, and exclusive rights as beneficiary hereunder, including but not light, title or interest in or to the lien or any benefits 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 covenan.

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, or any muculeuness to the groperty 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

(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 credit association, a Federal land bank, or other responsible cooperative or private credit source, at reasonable rates and the Covernment of the Covernment and the Covernme indebtedness secured hereby, except as specified by the Government in writing 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

(16) Default hereunder shall constitute default under any other real estate, or under any personal property or other purchased in a cooperative lending agency in connection with such loan. security instrument held or insured by the Government and executed or assumed by Borrower, and default under any such

(17) SHOULD DEHAULT occur in the performance of discharge of any obligation in this instrument or secured by this other security instrument shall constitute default Horeunder. instrument, or should any one of the parties named as Borrower die or be declated an incompetent, a bankrupt, or an insolvent, or make an assignment for the benefit of greditors, the Government, at its option, with or without notice, may: (a) declare the entire amount unpaid under the note and any indectedness to the Government hereby secured immediately ductand payable; (b) for the account of Borrower linear and pay reasonable expenses for repair or maintenance of and take possession of loperate principal the property; (c) appoin application by it and production of this instrument, without other midence, and without notice of hearing of said application, have a tecsive appointed for the property, with the usual power midence, and without notice of hearing of said application, have a tecsive appointed for the property. possession of the property for application, have a receiver appointed for the property, with the usual powers evidence and without notice of hearing of said application, have a receiver appointed for the property, with the usual powers of precioes this instrument and sell the property as provided in the property as provided and request Trustee to foreclose this instrument and sell the property as provided by law.

(18) WALVER: 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 WITHOUT NOTICE BEYOND THE PUBLICATION OF THE NOTICE. NEVERTHELESS, THE REGULATIONS OF ANY RIGHTSCHE 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 THE FARMERS HOME ADMINISTRATION IN EFFECT AT THE TIME SUCH FORECLOSURE IS REGULATIONS."

PROVIDE FLR NOTICE AND A MEETING AND THE GOVERNMENT WILL FOLLOW THESE REGULATIONS.

At the raquest of the Government, Trustee may foreclose this instrument by advertisement and sale of the property as provided by law, for cash of 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 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 writing and Trustee's execution of a conveyance of the property or any part thereof to any purchaser at toreclosure sale writing and Trustee's execution of a conveyance of the property or any part thereof to any purchaser at toreclosure sale writing and Trustee's execution of a conveyance of the property or any part thereof to any purchaser at toreclosure sale writing and Trustee's execution of a conveyance of the property or any part thereof to any purchaser at toreclosure sale writing and Trustee's execution of a conveyance of the property or any part thereof to any purchaser at foreclosure.

ordance lierewith.
(20) The proceeds of foreclosure sale shall be applied in the following order to the payment of: (2) costs and expenses (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 lieus required by law or a competent court to be so paid, (c) the debt evidenced by the note and all indebtedness to the Government's option, any other indebtedness of record required by law or a competent court to be so paid, (e) at the Government's option, any other indebtedness of record required by law or a competent court to be so paid, (f) any balance to Borrower. In case the Government is the successful Borrower owing to or insured by the Government, and (f) any balance to Borrower may pay its share of the aurebase price. norrower owing to or insured by the Government, and (1) any majarice to norrower. 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.

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