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Form FmHA 427-7. OR. 1521 REAL ESTATE DEED OF TRUST FOR OREGON
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tednited percit to be baild by Be trower and not bard to him when chooses well as the control of
(d) Appetited of the trait is the RONALD/L. MERMAN AND (ASSOCIATES), a partnership
Consisting of Ronald L. Merman and Raymond A. Nelson
County, Oregon, as grantor(s), he called "Borrower," and the Farmers Home (Administration at Inited Season)
the characteristic regimes and like agreet the magnetic formed States Department of Agriculture, acting through
State Director of the Farmers Home Administration for the State of Oregon whose post office address is Rm. 1590. 12
America, acting through the Farmers Home Administration, United States Department of Agriculture, as beneficiary, here
WHEREAS Borrower is indebted to the Government as evidenced by one or more promissory note(s) or assumpt agreement(s), herein called "note," which has been executed by Borrower, is payable to the order of the Government agreement of the entire indebted and the control of the entire indebted agreement of the control of the control of the control of the control of t
Date of instrumenting the Annual Rate
July23, 1980 nucu waaa \$123,950.00 is) naura in 10,75%
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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 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 the note or attach to the debt evidenced thereby, but as to the note and such debt shall constitute an indemnity mortgage secure the Government against loss under its insurance contract by reason of any default by Borrower:  NOW, THEREFORE, in consideration of the loan(s) Borrower hereby grants, bargains, sells, conveys, warrants a mortgages to Trustee the following described property situated in the State of Oregon, County(ies) of
Klamath
which said described real property is not currently used for agricultural, timber or grazing purposes:
The East 30 feet of Lot 10 and Lots 11 and 12, Block 44 GRANDVIEW ADDITION TO BONANZA, in the County of Klamath, State of Oregon, together with those portions of vacated streets adjacent per vacation ordinance #210 in Volume M-67 at page 4580, Microfilm Records.
SUBJECT TO: Easements and rights of way of record.
This instrument also secures the obligations and covenants of Borrower set forth in Borrower's Loan Agreement of July 3, 1980, as amended which is hereby incorporated herein by reference.
The property described herein was obtained or improved through Federal financial assistance. This property is subject to the provisions of Title VI of the Civil

(Continued)

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

(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, shall be repaid from the first available collections received from Borrower. Otherwise, any payment made by Borrower may be applied on the rote of any indebtedness to the Covenance of the covenance. be applied on the note or any indebtedness to the Government secured hereby, in any order the Government determines.

assessments, insurance premiums and other charges upon the mortgaged premises. (4) Whether or not the note is insured 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, protection; or enforcement of this liene 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.

(3) If required by the Government, to make additional monthly payments of 1/12 of the estimated annual taxes,

as collection agent for the holder.

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

follows: 2171(I) 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 times when the note is held by an insured holder, Borrower shall continue to make payments on the note to the Government,

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 cliens encumbrances, easements, reservations, or conveyances specified hereinabove; and COVENANTS AND AGREES as

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 or other charge, (b) at all times when the note is held by an insured holder, to secure performance of Borrower's agreement nerein 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 made by the Government, with interest, as hereinafter 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 hereof.

TO HAVE AND TO HOLD the property unto Trustee, his successors, grantees and assigns forever;

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 Borrower 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";

NOW: THEREFORE, in consideration or the founds) Born wer hereby grants, bargains, selly great mortgages to Trustee the following described 1 toporty situated in the State of Oregon, County (iet) of secure the Government against loss under its a summe contract by a uson of any default by Bostower: Covernment, or it the event the Government should assign this instrument verticent insurance or the stall secure payment of the note in the most should be a stall holder, the listing continue in the note or either the debt evidenced then by that as to the note and wich dots shall constitute an interpretational and constitute that when the content is an additional and the stall by Barrager.

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page 4580, Microfilm Records. of vacated streets adjacent per vacation ordinance #210 in Volume M-67 at BONANZA, in the County of Klanath, State of Cregon, together with those pertions The Last 30 feet of Lot 10 and Lots 11 and 12, Block 44 GRANDVIEW ADDITION TO

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Rights Act of 1964 and the regulations issued pursuant thereto for second as the property continues to be used for the same or similar purpose in thick financial assistance was extended or for sellong as the parchager can be analyzed. whichever is longer.

provision as well as the Government. be provided. A tenant or person eligible to be a tenant may enforce class mines that there is no longer a need for such housing or that Federal ... it is financial assistance provided to the residents of such housing will in longer during such period from these obligations only when the Government letter-20 year period because of a rly repayment. The Borrower will be well of Title V of the Housing Art of 1949 and falls regulations then extent describing 20 year period beginning July 3, 1980. We want to compying the housing shall be required to vacate prior to the standard of the required to vacate prior to the standard to purpose of housing people eligible for accapancy as provided in earlier 5 The Borrower and any successors in interest agree to use the boston

(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 occurs 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 MEETING 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.

accordance nerewith.

(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.

y crediting such amount on any debts of Borro ver owing to or insured by the Government, in the order prescribed above. idder at foreclosure or other sale of all or any 1 art of the property, the Government may pay has share of in 15 (21) All powers and agencies granted in this instrument are coupled with an interest and are irrevocable by otherwise, and the rights and remedies provided in this instrument are cumulative to remedies provided by law. otherwise; and the inguts and remedies provided in this instrument are cumulative to remedies provided by law.

(22) 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 must be brought, (c) prescribing any other statute of limiting the amount thereof or the time within which such action must be brought, (c) prescribing any other statute of limitings, (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 laws. Borrower hereby transfer of the property to a new Borrower because or consummate, of descent, dower, and curtesy. (23) 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 him will after receipt of a bona fide offer, refuse to negotiate for the sale or rental of the dwelling or will otherwise make the consent to do so (a) neither Borrower nor anyone because of race realignments or national origin and (b) Borrower recognizes 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, BING 4855 THICE, NEMEKTHELESS, THE (24) This instrument shall be subject to the present regulations of the Farmers Home Administration, and to its future regulations not inconsistent with the express provision hereof. The LED WILLION LY 111 (6 Pet 1). (25) 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, United States Department of Agriculture, Portland, Oregon 97205 and in the case of Borrower to him at his post office (26) Upon full and final payment of all indebtedness hereby secured and the performance and discharge of each and every condition, agreement and obligation, contingent or otherwise, contained herein or secured hereby, the Government condition, agreement and obligation, contingent or otherwise, contained herein or secured hereby, the Government shall request trustee to execute and deliver to Borrower at his above post office address a deed of reconveyance of the property within 60 days after written demand by Borrower, and Borrower, hereby waives the benefits of all laws requiring earlier execution or delivery of such deed of reconveyance. address stated above. (27) If any provision of this instrument or application thereof 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. (15). Default hereunder shafi constitute ce fault under any other real estate; extunder any persona y specific er other affect institutioni than an occurant to affect and any and purchased in a coor erative lending agency in to mention with such conterms for foars for similar purposes and period of time. Borrower with upon the Government's request, and who and as east such loan in sufficient amount to pay flid note mid any indebtedness secured noteby and to pay for any accessive to be indebtedness secured hereby, except as specified by the Government in withing.

[15] If at any time it shall amorate to the Inversament her terringas of private of Inf Survey, at a secure of the secure of the Bottom of time Remains will upon the Government's required. noted that the principal property not a selected as the new new considering the property of the period of the liability for the content of the period of the ROMALD MERMAN AND ASSOCIATES ACKNOY LED GENERAL PARTNERS: SHADE OF ORKEDS and acknowledged the morganization much to be .......... RAY A NELSON ACKNOWLEDGMENT LICHERRAPIE SEAL! STATE OF OREGON ) PALAN STANDARD PROPERTY COUNTY OF Klamath) The foregoing instrument was asknowledged before me this day, July 1980, by Ronald L. Merman, and Ray A. Nelson, on behalf of Ronald Merman and Associates. . 1 T. Notary Public for the E OF The state of State of Oregon My Commission Expires 2/14/81 Pet TIA MAIN STATE OF OREGON; COUNTY OF KLAMATH; ss. I hereby certify that the within instrument was received and filed for record on the 3rd A.D. 19 80 at 3:28 o'clock P M., and duly recorded in Vol M80 \_on Page\_12355\_ Mortgages. WM. D. MILNE, County, Clerk \$14.00 By Bernetha & Lettich Deputy FFF