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REAL ESTATE DEED OF TRUST FOR OREGON  
(Rural Housing)

Vol. M86

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(2) THIS DEED OF TRUST is made and entered into by and between the undersigned  
REX DEE, WILCOX, and RUTH ELLEN WILCOX, husband and wife

residing in W. Klamath

called "Borrower," and the Farmers Home Administration, United States Department of Agriculture, acting through the  
 State Director of the Farmers Home Administration for the State of Oregon whose post office address is Rm 1590,  
1220 S. W. Third, Portland Oregon 97204

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
9/30/86	\$28,000.00	10.00	9/30/2016

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 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) Borrower hereby grants bargains, sell, conveys, warrants and 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:

Lots 17 and 18 in Block 49, Klamath Falls Forest Estates, Highway 66 Unit, Plat NO. 2, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

STATE OF KENTUCKY, County of \_\_\_\_\_

NO. 5, Association for the Improvement of the \_\_\_\_\_ of the County of \_\_\_\_\_, hereinafter called "Borrower," do hereby certify that the following is a true and correct copy of the original of the same as the same is on file in the office of the Clerk of the County of \_\_\_\_\_, Kentucky, at \_\_\_\_\_, Kentucky.

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which are described in the following instrument, to wit: \_\_\_\_\_

Know all men by these presents, \_\_\_\_\_, of the County of \_\_\_\_\_, State of Kentucky, for and in behalf of the \_\_\_\_\_, do hereby certify that the following is a true and correct copy of the original of the same as the same is on file in the office of the Clerk of the County of \_\_\_\_\_, Kentucky, at \_\_\_\_\_, Kentucky.

to wit: \_\_\_\_\_, of the County of \_\_\_\_\_, State of Kentucky, for and in behalf of the \_\_\_\_\_, do hereby certify that the following is a true and correct copy of the original of the same as the same is on file in the office of the Clerk of the County of \_\_\_\_\_, Kentucky, at \_\_\_\_\_, Kentucky.

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 capreting 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";

TO HAVE AND TO HOLD the property unto Trustee, Trustee's 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 or other 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 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.

BORROWER for Borrower's self, Borrower's 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 liens, encumbrances, easements, reservations, or conveyances 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 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, as collection agent for the holder.
- (2) To pay the Government such fees and other charges as may now or hereafter be required by regulations of the Farmers Home Administration.
- (3) If required by 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.
- (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 Borrower when due, as well as any costs and expenses for the preservation, protection, or enforcement of this lien, 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 Borrower's 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 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 purposes authorized by the Government.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the County of \_\_\_\_\_, Kentucky, at \_\_\_\_\_, Kentucky, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

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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 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 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; 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 incurred by the Government in connection with the acquisition, maintenance, and priority hereof and to the enforcement of or the carrying out of the terms of the agreement.

(12) Neither the property nor any portion thereof or interest therein shall be ~~transferred~~<sup>assigned</sup>, 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 costs of evidence of title to and survey of 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, records, documents, contracts, and agreements contained herein or in any supplementary agreement between the insured and the lender.

(14) The Government may (a) extend or defer payment of principal or interest on the note or any other obligation evidenced by the note or any instrument, and (b) suspend or modify the terms of the note or any instrument, if such action is deemed advisable under the circumstances.

(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 for 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 or Borrower's or any other party's liability to the Government for payment of the note or debt secured by 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.

(16) Default hereunder shall constitute default under any other real estate, or under any personal property or other secured 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 should the parties named as Borrower die or be declared bankrupt or insolvent, or should the parties named as Borrower be declared a bankrupt or insolvent, at its option, with or without notice to the Government, the Government may:

(18) 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 Trustee's option may conduct such sale without being personally present, through Trustee's delegate authorized by Trustee 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 Trustee's delegate duly authorized in accordance herewith.

(19) The proceeds of foreclosure sale shall be applied in the following order to the payment of the debt incurred incident to enforcing or complying with the provisions hereof: (a) any unpaid principal and interest due and payable on so paid, (c) the debt evidenced by the note and all costs and expenses incurred in connection with the making of the record required by law or a court of competent jurisdiction, and (d) any deficiency due and payable by Borrower to Lender, power, owing to Lender.

(19) 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; (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, or by other means approved by the Government.

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(20) All powers and agencies granted in this instrument are coupled with an interest and are irrevocable by death or otherwise; and the rights and remedies provided in this instrument are cumulative to remedies provided by law.

(21) Borrower agrees that the Government will not be bound by any present or future laws, (a) prohibiting maintenance of an action for a deficiency judgment or limiting the amount thereof or the time within which such action must be brought, (b) prescribing any other statute of limitations, or (c) 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.

(22) 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.

(23) This instrument shall be subject to the present regulations of the Farmers Home Administration, and to its future regulations not inconsistent with the express provisions hereof.

(24) 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 97204 and in the case of Borrower at the post office address stated above.

(25) Upon the 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 shall request trustee to execute and deliver to Borrower at Borrower's 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.

(26) 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.

WITNESS the hand(s) of Borrower this 30th day of September, 1986.

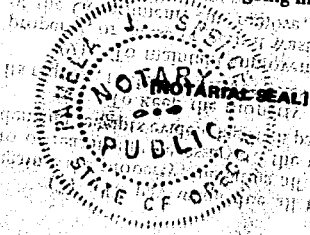
REX DEE WILCOX  
RUTH ELLEN WILCOX

**ACKNOWLEDGMENT FOR OREGON**

STATE OF OREGON  
COUNTY OF KLAMATH

On this 30th day of September, 1986, personally appeared the above-named REX DEE WILCOX & RUTH ELLEN WILCOX

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



Pamela Spencer  
Notary Public.

My Commission expires 8/16/88

Return myc

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of September A.D., 19 86 at 10:31 o'clock A M., and duly recorded in Vol. M86 of 30th day

FEE \$17.00

on Page 17723  
By Evelyn Biehn, County Clerk  
Sam Smith