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USDA-FmHA

Form FmHA 427-7 OR

KCTC-38947

Vol. 1886 Page 19651

(Rev. 4-21-81)

**REAL ESTATE DEED OF TRUST FOR OREGON
(Rural Housing)**

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

MARIE P. ZANOTTO

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 Administration for the State of Oregon whose post office address is Room 1590

1220 SW Third 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:

<u>Date of Instrument</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Due Date of Final Installment</u>
10-30-86	\$39,500.00	9 1/2	10-30-2019

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 Klamath 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 3 and 4 in Block 72 of Bowne Addition to Bonanza, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.

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(20) All powers and agencies granted in this instrument are coupled with an interest and are irrevocable by law 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 October, 19 86.

After recording return to FMHA 2455 Patterson St., Suite #1 Klamath Falls, Oregon 97603

Marie P. Zanotto
Marie P. Zanotto

ACKNOWLEDGMENT FOR OREGON

STATE OF OREGON)
COUNTY OF Klamath) ss:

On this 30th day of October, 19 86, personally appeared the above named Marie P. Zanotto

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

[NOTARIAL SEAL]

Susan C. Casel
Notary Public.

My Commission expires 6-21-88

J0023

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of October A.D., 19 86 at 3:51 o'clock P. M., and duly recorded in Vol. 19651 of 30th day of October 1986 on Page 19651

FEE \$17.00

Evelyn Biehn, County Clerk
By [Signature]