61-1173 BHP.

VOI. 167 PAGE 9685

## NOTE AND MORTGAGE

THE MORTGAGOR, James R. Morley and Margaret Mae Morley, husband and wife,

mortgages to the STATE OF OREGON, represented and acting by the Director of Veterans' Affairs, pursuant to ORS 407.030, the following described real property located in the State of Oregon and County of Klamath

Lot 19, EXCEPT the Northwesterly 22.0 feet thereof, and the Northwesterly 10.0 feet

of Lot 20, WINEMA GARDENS, Klamath County, Oregon.

to secure the payment of Six Thousand Eight Hundred and no/100

I promise to pay to the STATE OF OREGON Six Thousand Eight Hundred and no/100 - - -Oregon, at the rate of four percent per annum, principal and interest to be paid in lawful money of the United States at the office of the Director of Veterans' Affairs in Salem, Oregon, as follows:

\$ 46.00 - - - on or before February 1, 1968 - - and \$ 46.00 on the 1st of each 

The due date of the last payment shall be on or before January. 1, 1985.

In the event of transfer of ownership of the premises or any part thereof, to anyone other than a qualified veteran under ORS 407.010 to 407.210 who assumes the indebtedness in his own right. I will continue to be liable for payment and from date of such transfer.

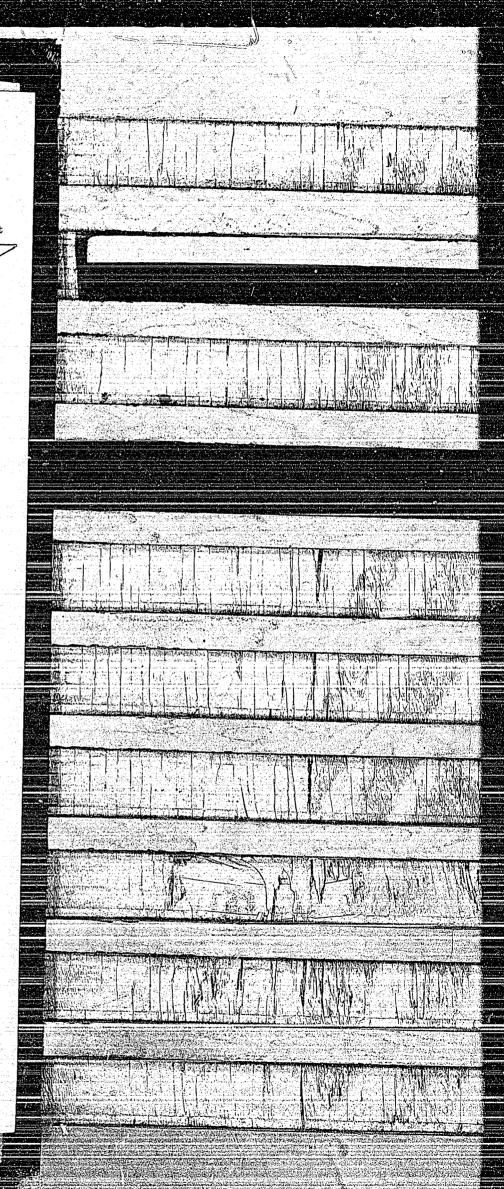
This note is secured by a mortgage, the terms of which are made a part hereof.

Dated at Klamath Falls, Oregon

December 12

MORTGAGOR FURTHER COVENANTS AND AGREES:

- To pay all debts and moneys secured hereby;
- Not to permit the buildings to become vacant or unoccupied; not to permit the removal or demolish
  provements now or hereafter existing; to keep same in good repair; to complete all construction
  accordance with any agreement made between the parties hereto;
- Not to permit the use of the premises for any objectionable or unlawful purpose;
- 5. Not to permit any tax, assessment, lien, or encumbrance to exist at any time;



- Mortgages shall be entitled to all compensation and damages received under right of eminent domain, or for any security voluntarily released, same to be applied upon the indebtedness;
- 9. Not to lease or rent the premises, or any part of same, without written consent of the mortgagee;
- 10. To promptly notify mortgages in writing of a transfer of ownership of the premises or any part or interest in same, and to furnish a copy of the instrument of transfer to the mortgages; any purchaser shall assume the indebtedness, and purchasers not entitled to a loan or 4% interest rate under ORS 407.010 to 407.210 shall pay interest as prescribed by ORS 407.070 on all payments due from the date of transfer; in all other respects this mortgage shall remain in full force and effect; no instrument of transfer shall be valid unless same contains a covenant of the grantee whereby the grantee assumes the covenants of this mortgage and agrees to pay the indebtedness secured by same.

The mortgagee may, at his option, in case of default of the mortgagor, perform same in whole or in part and all expenditures made in so doing including the employment of an attorney to secure compliance with the terms of the mortgage or the note shall draw interest at the rate provided in the note and all such expenditures shall be immediately repayable by the mortgagor without demand and shall be secured by this mortgage.

Default in any of the covenants or agreements herein contained or the expenditure of any portion of the loan for purposes other than those specified in the application, except by written permission of the mortgagee given before the expenditure is made, shall cause the entire indebtedness at the option of the mortgagee to become immediately due and payable without notice and this mortgage subject to foreclosure.

The fallure of the mortgagee to exercise any options herein set forth will not constitute a waiver of any right arising from a breach of the covenants.

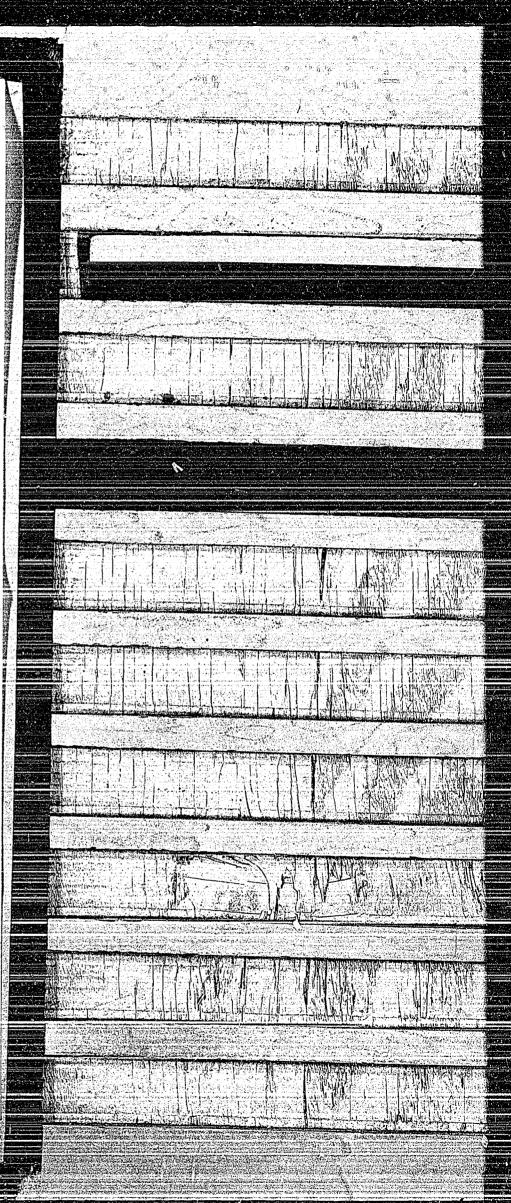
In case foreclosure is commenced, the mortgagor shall be liable for the cost of a title search, attorney fees, and all other costs incurred in connection with such foreclosure.

Upon the breach of any covenant of the mortgage, the mortgages shall have the right to enter the premises, take possession collect the rents, issues and profits and apply same, less reasonable costs of collection, upon the indebtedness and the mortgages shall have the right to the appointment of a receiver to collect same.

The covenants and agreements herein shall extend to and be binding upon the helfs, executors, administrators, successors and assigns of the respective parties hereto.

WORDS: The masculine shall be deemed to include the feminine, and the singular the plural where such connotations are

IN WITNESS WHEREOF, The **ACKNOWLEDGMENT** STATE OF OREGON, December 12, 1967 Before me, a Notary Public, personally appeared the within named James R. Morley and Margaret Mae Morley, his wife, and acknowledged the foregoing instrument to be their voluntary WITNESS by hand and official seal the day and year last above writte April 4, 1971 MORTGAGE 60234 Department of Veterans' Affairs STATE OF OREGON, County of Klamath Klamath I certify that the within was received and duly recorded by me in No. M-67 Page 9685 on the 13th day of December, 1967 DOROTHY ROGERS Clerk Louis m. Knutson December 13,1967 at 1:52 mo'clock Dorothy Rogers
County Clerk
Fee 3.00
After recording return to:
DEPARTMENT OF VETERANS AFFAIRS
MC State Finance Building Salem, Oregon 97310 Form L-4 (7-63)



**V**ORWAYNS