

8. Mortgages shall be entitled to all compensation and damages received upon right of eminent domain or for any security value.

9. Not to lease or rent the premises or any part of same, without written consent of the mortgagee.

10. To promptly notify mortgagee in writing of a transfer of ownership of the premises or any part or interest in same, and to furnish a copy to the mortgagee of transfer to the mortgagee. A mortgagee shall pay interest as prescribed by ORS 47.770 on all payments due from the date of transfer. In all other respects the mortgage shall remain in full force and effect.

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

Finally, in any of the covenants or agreements herein contained or the expenditure of any portion of the loan for purposes other than those intended by 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 failure of the mortgagor 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 mortgagee 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 mortgagee 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 heirs, executors, administrators, successors and assigns of the mortgagor herein.

It is distinctly understood and agreed that this note and mortgage are subject to the provisions of Article XI-A of the Oregon Constitution, ORS 47.010 to 47.810 and any subsequent amendments thereto and to all rules and regulations which have been issued or may hereafter be issued by the Director of Veterans Affairs pursuant to the provisions of ORS 47.620.

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

IN WITNESS WHEREOF, The mortgagors have set their hands and seals this 21st day of November, 1977

David G. Philippe (Seal)

Dorcas Jean Philippe (Seal)

ACKNOWLEDGEMENT

STATE OF OREGON

County of Klamath

Before me, a Notary Public, personally appeared the within named David G. Philippe and Dorcas Jean Philippe his wife and acknowledged the foregoing instrument to be their voluntary act and deed.

WITNESS my hand and official seal the day and year last above written.

My Commission expires 7/19/78

MORTGAGE

FROM US

TO Department of Veterans Affairs

L- M76976

STATE OF OREGON

County of KLAMATH

I certify that the within was received and duly recorded by me in KLAMATH County Record Book of Mortgages

on 21st day of NOVEMBER, 1977

WIT: William J. Smith County Clerk

CLERK

November 21st 1977

Deputy