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MTC 6305-M

NOTE AND MORTGAGE

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DEPARTMENT OF VETERANS' AFFAIRS
 THE MORTGAGOR DESELE S. HAWLEY and BETHANY O. HAWLEY, husband and wife

CONTRACT

EXHIBIT

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:

one piece or parcel of land lying in Tract 26 of HOMEDALE, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, and being more particularly described as follows:

Beginning at a point on the Easterly line of Tract 26 of HOMEDALE, which is North 07° East a distance of 194.3 feet from the Southeast corner of said Tract 26; thence North 89° 15' West along the Northerly line of property described in Deed Volume 312, page 409, a distance of 90.7 feet to an iron pin; thence North 43° 30' West along said Northerly line a distance of 70.0 feet to an iron pin; thence North 46° 30' East a distance of 32 feet to an iron pin; thence South 84° 43' East a distance of 116.25 feet to an iron pin on the Easterly line of said Tract 26;

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8. Mortgagee 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 mortgagee 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 mortgagee; a purchaser 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.

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 of the mortgage shall draw interest at the rate provided in this 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 failure of the mortgagee to exercise any options herein set forth will not constitute a waiver of any right arising from a breach of this 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 respective parties hereto.

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 407.010 to 407.015 and any subsequent amendments hereto, 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 407.020.

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 11th day of April, 1978.

LESLIE S. HAWLEY
BETHANY O. HAWLEY

ACKNOWLEDGMENT
County of Klamath

Notary Public, personally appeared the within named Leslie S. Hawley and Bethany O. Hawley, his wife, and acknowledged the foregoing instrument to be their voluntary act and deed.
Witnessed by hand and official seal the day and year last above written.

Jay Bluborn
Notary Public for Oregon
My Commission expires 8-23-81

MORTGAGE

TO Department of Veterans' Affairs

STATE OF OREGON, County of Klamath

I certify that the within was received and duly recorded by me in Klamath County Records, Book of Mortgages, No. 172, Page 6925, on the 11th day of April, 1978, by D. MILES Klamath County Clerk

By Bencher H. Leitch, Deputy.

Filed April 11, 1978 at Klamath Falls, Oregon by Bencher H. Leitch, Deputy.

After recording, return to: DEPARTMENT OF VETERANS' AFFAIRS, General Services Building, Salem, Oregon 97310