

THE MORTGAGOR

HENRY LOUIS McMANN AND MARGARET E. McMANN

Husband and wife

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

The West 5 feet of Lot 6 and All of Lot 7 and 8, Block 9, Midland,
according to the official plat thereof on file in the office of the
County Clerk of Klamath County, Oregon.

together with the herements, hereditaments, rights, privileges, and appurtenances including roads and easements used in connection with the premises, electric wiring and fixtures, furnaces and heating systems, water heaters, fuel storage receptacles; plumbing, ventilating, water and irrigating systems; air-ens, doors, window shades and blinds, shutters; cabinets, built-in linoleums and floor coverings, built-in stoves, ovens, electric sinks, air conditioning, refrigerators, freezers, dishwashers; and all fixtures now or hereafter installed in or on the premises; and any machinery, flora, or timber now growing or hereafter planted or growing thereon; and any improvements of any one or more of the foregoing places, in whole or in part, all of which are hereby declared to be appurtenant to the land, and all of the rents, issues, and profits of the mortgaged property.

to secure the payment of Nineteen Thousand Two Hundred Eighty Five and no/100----- Dollars

(\$ 19,285.00-----), and interest thereon, evidenced by the following promissory note:

I promise to pay to the STATE OF OREGON Nineteen Thousand Two Hundred Eighty Five and no/100----- Dollars (\$ 19,285.00-----), with interest from the date of initial disbursement by the State of Oregon, at the rate of 5.9----- percent per annum until such time as a different interest rate is established pursuant to ORS 407.012, 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:

\$124.00----- on or before November 15, 1978----- and \$ 124.00 on the 15th of each month----- hereafter, plus one-twelfth of----- the ad valorem taxes for each successive year on the premises secured in the mortgage, and continuing until the full amount of the principal, interest and advances shall be fully paid, each payment to be applied first as interest on the unpaid balance, the remainder on the principal.

The due date of the last payment shall be on or before October 15, 2003-----

In the event of transfer of ownership of the premises or any part thereof, I will continue to be liable for payment and the balance shall draw interest as provided by ORS 407.012 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-----

September 1958-----

Henry Louis McMann

Henry Louis McMann

Margaret E. McMann

Margaret E. McMann

The mortgagor or subsequent owner is to pay all or any part of the loan at any time without penalty.

The mortgagor covenants that he and the premises in his estate, has good right to mortgage same, that the premises are free from encumbrances, that he will occupy and defend same however against the claims and demands of all persons whomsoever, and this covenant shall not be extinguished by any deed, lease, or otherwise.

MORTGAGOR FURTHER COVENANTS AND AGREES

1. To pay all debts and moneys secured hereon;
2. Not to permit the buildings to be used for any purpose other than that for which they were erected; and to permit the removal or demolition of any buildings or improvements within a reasonable time in accordance with any agreement made between the parties hereto;
3. Not to permit the cutting or removal of any timber except for his own domestic use; not to commit or suffer any waste;
4. 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;
6. Mortgagee is authorized by power of attorney to take payment against the premises and add same to the principal, each of the advances he has advanced as provided in the note;
7. To keep all buildings, improvements, contents and fixtures in the mortgage, against loss by fire and such other hazards in such manner as shall be directed by the mortgagee; to deposit with the mortgagee all such proceeds of all insurance and such amounts shall be made payable to the mortgagee; the mortgagee in case of foreclosure until the period of redemption expires;

8. 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 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 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 failure 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 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 407.030 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 407.030.

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 signatories have set their hands and seals this 18 day of September, 1978.

Benny Louis McMann (Seal)
Benny Louis McMann
Margaret E. McMann (Seal)
Margaret E. McMann (Seal)

ACKNOWLEDGMENT

STATE OF OREGON,
County of Klamath
Before me, a Notary Public, personally appeared the within named
Benny Louis McMann and Margaret E. McMann
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.
[Signature]
Notary Public for Oregon
My Commission expires 8-5-79

MORTGAGE

FROM L- M97855
TO Department of Veterans' Affairs
STATE OF OREGON,
County of Klamath
I certify that the within was voluntarily and duly recorded by me in Klamath County Records, Book of Mortgages,
No. 4700 Page 20619 on the 18th day of September, 1978 W. D. Milne Klamath, Clerk
By Bernice W. Helich Deputy
Filed September 18, 1978 at clock 3:50P by Bernice W. Helich Deputy.
County Klamath

After recording return to:
DEPARTMENT OF VETERANS' AFFAIRS
General Services Building
Salem, Oregon 97334
(Form 2-4 (Rev. 5-77))

Fee \$6.00

50079