

THE MORTGAGOR PATRICIA A. FITZGERALD and NORMAN C. FITZGERALD, wife  
and husband

MORTGAGE IN 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 16, Block 3, GATEWOOD, TRACT NO. 1035, in the County of Klamath, State of Oregon.

together with the improvements, beneficial rights, fixtures, equipment and appurtenances including roads and easements used in connection with the premises; a storage trailer, a boat trailer, fuel storage receptacles; plumbing, heating, electrical, water and lighting fixtures; cabinets, built-in linoleums and floor coverings; built-in shelves, alcoves, shelves, built-in bookshelves, and all fixtures now or hereafter installed in or on the premises; and all replacements of any one or more of the foregoing fixtures or materials or parts of them, all of which are hereby declared to be appurtenant to the land and all of the rents, issues, and profits of this mortgage property.

to secure the payment of Forty Two Thousand Five Hundred and no/100--

Dollars

or \$42,500.00---- and interest thereon, evidenced by the following promissory note:

I promise to pay to the STATE OF OREGON Forty Two Thousand Five Hundred and no/100--

Dollars (\$ 42,500.00--)

plus interest thereon at the rate of 5.9--- percent per annum until such time as a principal to date of note, 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:

\$ 253.00----- at or before November 15, 1978----- and \$ 253.00 on the 15th of each month----- thereafter plus one-twelfth of----- the ad valorem taxes for each

successive year on the premises described 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, 2008-----

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 at the rate fixed by ORS 407.030 from date of such transfer.

This note is secured by a mortgage, the terms of which are more fully set forth hereto.

Dated at Klamath Falls, Oregon-----

On this 18 day of Sept. 1978

*Patricia A. Fitzgerald*

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

The mortgagor covenants that he will warrant and defend the title to the premises, that the premises are free from encumbrances, that he will warrant and defend same, that he will mortgage same, that the premises are free from encumbrances, that he will warrant and defend same, that he will not commit waste, and this covenant shall not be extinguished by any release, lease, sale or otherwise.

#### REINSTATEMENT, FURTHER COVENANTS AND AGREEMENTS

1. To pay all debts and expenses incurred by me;
2. Not to permit the buildings to become vacant or uninhabited, nor to permit the removal or demolition of any buildings or improvements now or hereafter existing on the premises, except for good repair; to complete all construction within a reasonable time in accordance with any agreement between the parties hereto;
3. Not to permit the cutting or removal of any timber existing for his own domestic use, not to commit or suffer any waste;
4. Not to permit the use of the premises for any object or purpose or unlawful purpose;
5. Not to permit any tax, assessment, fine or encroachment to exist at any time;
6. Not to encumber or authorize to encumber or allow any other person to encumber or affect the title to the property, taxes assessed against the premises and all taxes to the principal, each of the above;
7. To keep all buildings undergoing construction, maintenance and repair, in a condition satisfactory to the mortgagor; to deposit with the mortgagor all such insurance as shall be satisfactory to the mortgagor; to deposit with the mortgagor all such insurance as shall be satisfactory to the mortgagor until the period of redemption expires;

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1. Mortgagor shall be entitled to all rents and damages received under right of eminent domain, or for any security voluntarily released, same to be applied upon the indebtedness;

2. Not to lease or rent the premises, or any part of same, without written consent of the mortgagor;

3. To personally assign mortgage in writing to any agent or the instrument of transfer of ownership of any part or interest in same, and to all other respects this mortgage shall remain in full force and effect.

The mortgagor may, at his option, make or do, during the existence of this instrument, a payment due prior to the date of transfer of ownership of the premises or any part or interest in same, and to all other respects this mortgage shall remain in full force and effect.

Default by mortgagor of the covenants and agreements herein contained or the expenditure of any portion of the loan for purposes other than those specified in the instrument of transfer, or for any other purpose than to secure compliance with the terms of the mortgage, or the note shall cause the entire indebtedness of the mortgagor, performed or unperformed, and all such expenditures shall be immediately repayable by the mortgagor without notice or demand.

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 foreclosures.

Upon the breach of any covenant, called the rents, issues and profits and have the right to the appointment of a receiver to collect same.

The covenants and agreements herein made by the respective parties hereto, shall be construed and applied according to the laws of the State of Oregon, ORS 407.070 to 407.073, and all laws and regulations which have been passed or may hereafter be passed by the Legislature of Oregon.

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

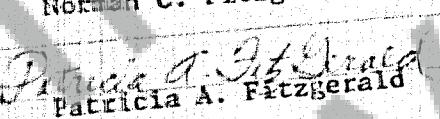
IN WITNESS WHEREOF, The

18 day of September, 1978


  
Norman C. Fitzgerald (Seal)

(Seal)

(Seal)


  
Patricia A. Fitzgerald

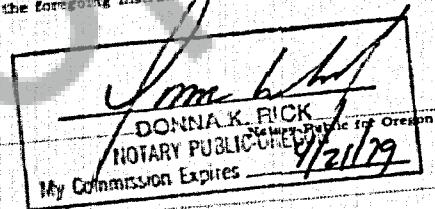
## ACKNOWLEDGMENT

STATE OF OREGON.

County of Klamath

Before me, a Notary Public, personally appeared the within named, Norman C. Fitzgerald, and Patricia A. Fitzgerald, who, after being sworn, acknowledged the foregoing instrument to be their voluntary act and deed.

Witnessed by hand and seal this 19th day and year last above written.



My Commission expires

## MORTGAGE

L M97578

TO Department of Veterans' Affairs

FROM

STATE OF OREGON.

County of

Klamath

I certify that the within was received and duly recorded by me

on the 19th day of September, 1978.

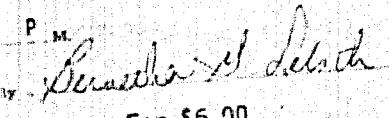
No. M78 Page 20731

Attest:   
 M. D. MILNE  
 Klamath Falls, Oregon  
 County  
 Deputy

After recording  
 DEPARTMENT OF VETS  
 General Services  
 Salem, Oregon

Klamath County Records, Book of Mortgages.

M. D. MILNE, Clerk

3:43 P.M.  
 At 10 o'clock
  
 Debra L. Schatz  
 Deputy

Fee \$6.00