

THE MORTGAGOR

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

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

together with the improvements, buildings and fixtures, personal and appurtenances including roads and easements used in connection with the premises, electric wiring and fixtures, license and bearing surveys, water heaters, fuel storage receptacles, plumbing, ventilating water and refrigerating systems, air-ers, doors, window shades and blinds, shutters, cabinets, built-in, linoleum and floor coverings, built-in stoves, ovens, electric and gas cooktops, refrigerators, freezers, dishwashers, and all fixtures now or hereafter installed in or on the premises, and all trees, shrubs, or timber now growing or hereafter planted or growing thereon; and any replacements of any one or more of the foregoing items 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 Forty Two Thousand Five Hundred and no/100-----Dollars

(\$ 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-----), 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 by ORS 407.032, 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----- hereafter, 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 as provided by ORS 407.030 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

On this 18 day of Sept. 78

Norman C. Fitzgerald
Patricia A. Fitzgerald

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

The mortgagor covenants that he/she be protected in this mortgage, has good right to mortgage same, that the premises are free from encumbrances, that he/she will warrant and defend same, however against the claims and demands of all persons whatsoever, and this covenant shall not be extinguished by loss of same, but shall run with the land.

MORTGAGOR FURTHER COVENANTS AND AGREES

1. To pay all debts and taxes secured hereby.
2. Not to permit the buildings to be used, vacant or unoccupied, not to permit the removal or demolition of any buildings or improvements now or hereafter existing, nor to permit any reconstruction or repair, to complete all construction 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. Advise the mortgagee in writing of any and all property taxes assessed against the premises and all same to the principal, each of the advances to bear interest as provided in the note.
7. To keep the buildings adequately insured during the term of the mortgage, against loss by fire and such other hazards in such policy or policies as shall be satisfactory to the mortgagee, to deposit with the mortgagee all such policies with receipts showing the amount of all premiums, all such insurance shall be made payable to the mortgagee; the mortgagee in case of destruction until the period of redemption expires.

1. Mortgagee shall be entitled to all rents, issues 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 mortgagee;

3. To hypothecate mortgage in writing of a transfer of ownership of the premises or any part or interest in same, and to assign a copy of this 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 a lawyer to secure compliance with the terms of the mortgage or the note shall be repaid and shall be secured by this mortgage.

Default at 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 instrument, or any other breach of the mortgage given before the expenditure is made, shall cause the entire indebtedness at the date of the mortgage 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.

When the maturity 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 pay, waste, 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 set forth shall be binding upon the heirs, executors, administrators, successors and assigns of the respective parties herein.

It is hereby understood and agreed that this note and mortgage are subject to the provisions of Article XI-A of the Oregon Constitution, ORS 495.010 to 495.020 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 497.020.

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 abovesigned have set their hands and seals this 18 day of September, 19 78

Norman C. Fitzgerald (Seal)
Norman C. Fitzgerald (Seal)

Patricia A. Fitzgerald (Seal)
Patricia A. Fitzgerald (Seal)

ACKNOWLEDGMENT

STATE OF OREGON }
County of Klamath

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

WITNESS my hand and seal this 18 day and year last above written.

Donna K. Rick
DONNA K. RICK
NOTARY PUBLIC - OREGON
My Commission Expires 9/21/79

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 in _____ Klamath County Records, Book of Mortgages.

No. 178 Page 20731 of the 18th day of September, 1978 WM. D. MILNE Klamath County Clerk

By Barbara J. Deluth Deputy

Dated September 19, 1978 at 10:43 P. M.

Filed Klamath Falls, Oregon By Barbara J. Deluth Deputy

County Klamath

Fee \$6.00