

1.431-16233-70

55533
THE MORTGAGOR,

NOTE AND MORTGAGE

WILLIAM E. SCOTT and DIANE J. SCOTT, husband and wife

mortgage 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:

The 3/4 of Tract 41, and all of Tract 42, VILLA ST. CLAIR, in the County of Klamath, State of Oregon.

TOGETHER WITH THE FOLLOWING MOBILE HOME: Year/1978, Make/Barrington, Serial No./WAFL28820312065, Size/60 x 24.

together with the improvements, necessities and rights, privileges, and appurtenances including roads and easements used in connection with the premises, electric wiring and plumbing, furnace and heating system, water heaters, fuel storage receptacles, plumbing, ventilating, water and irrigation systems, air conditioning, shades and blinds, shutters, cabinets, built-ins, linoleum and floor coverings, built-in stoves, ovens, electric ranges, dishwashers, freezers, refrigerators, freezers, dishwashers, and all fixtures now or hereafter installed in or on the premises, and any other improvements, structures, trees, 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 Thirty Nine Thousand Seven Hundred and no/100 Dollars
of 19,700.00 and interest thereon, evidenced by the following promissory note:

I promise to pay to the STATE OF OREGON Thirty Nine Thousand Seven Hundred and no/100 Dollars of 19,700.00, with interest from the date of initial disbursement by the State of Oregon at the rate of 15.9 percent per annum until such time as a different interest rate is established pursuant to ORS 407.031, principal and interest to be paid in lawful money of the United States in the office of the Director of Veterans' Affairs in Salem, Oregon, as follows:
1383.00 on or before November 15, 1978 and 283.00 on the 15th of each month thereafter, plus one-twelfth of the ad valorem taxes for each mortgage year on the premises described in the mortgage, and continuing until the full amount of the principal, interest and expenses shall be fully paid. If the payments be so applied first as interest on the unpaid balance, the remainder on the principal.
The due date of this last payment shall be on or before October 15, 1998.
In the event of transfer of the mortgaged premises or any part thereof, I will continue to be liable for payment and the balance shall remain secured as if recited 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 William E. Scott
DIANE J. SCOTT

The mortgagee or subsequent owner must pay all or any part of the loan at any time without penalty.
The mortgagee covenants that he/she/it, the person or persons by law imple, has good right to mortgage same, that the premises are free from any other liens, that he will not incur any other liens, and that he will defend against the claims and demands of all persons whomsoever, and this covenant shall not be extinguished by foreclosure, but shall run with the land.

MORTGAGOR FURTHER COVENANTS AND AGREES

- 1. Not to pay all debts and taxes, as set forth hereby.
- 2. Not to permit the building to become vacant or unoccupied, not to permit the removal or demolition of any buildings or improvements now or hereafter erected, to keep same in good 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. Mortgagee is authorized to pay all real property taxes assessed against the premises and add same to the principal, each of the advances to be hereinafter made.
- 7. To keep all buildings, improvements, and fixtures insured during the term of the mortgage, against loss by fire and such other hazards in such amounts and by such an amount as shall be satisfactory to the mortgagee; to deposit with the mortgagee all such policies with receipts and to pay all premiums; all such insurance shall be made payable to the mortgagee; insurance shall be kept in force by the mortgagee in case of foreclosure until the period of redemption expires.

1. Mortgages shall be entitled to all compensations 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 lend the premises, or any part of same, without written consent of the mortgagee:

3. To promptly notify mortgagee in writing of a transfer of ownership of the premises or any part or interest in same, and to pay interest on 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 shall be provided for by the mortgagor, 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 provisions or agreements herein contained or the expenditure of any portion of the loan for purposes other than those specified herein shall constitute a default by the mortgagor, except by written permission of the mortgagee given before the expenditure is made, and shall be deemed to be a default by the mortgagor and all such expenditures shall be immediately due and payable without notice and this mortgage shall be enforceable therefor.

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 mortgage.

In case foreclosing 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.

That the benefits of any extension of the mortgage, the mortgagee shall have the right to enter the premises, take possession, collect the rents, profits and proceeds and apply same, less reasonable costs of collection, upon the indebtedness and the mortgagee shall have the right to be appointed 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.

It is directed and agreed that this note and mortgage are subject to the provisions of Article XI-A of the Oregon Constitution, ORS 407.020 to 407.025 and any subsequent amendments thereto and to all rules and regulations which have been adopted by the Director of Veterans' Affairs pursuant to the provisions of ORS 407.020.

Words in the masculine shall be deemed to include the feminine, and the singular the plural where such connotations are applicable herein.

The mobile home described on the face of this document is a portion of the property secured by this Note and Mortgage.

IN WITNESS WHEREOF, The mortgagors have set their hands and seals this 25 day of September, 1978

William E. Scott
 WILLIAM E. SCOTT (Seal)
Diane J. Scott
 DIANE J. SCOTT (Seal)
 (Seal)

ACKNOWLEDGMENT

STATE OF OREGON,
 County of Klamath }

Before me, a Notary Public, personally appeared the within named William E. Scott & Diane J. Scott, 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.

Donna K. Rick
 DONNA K. RICK
 NOTARY PUBLIC-OREGON
 My Commission Expires Notary Public for Oregon

My Commission expires _____

MORTGAGE

FROM _____ TO Department of Veterans' Affairs L. M98203

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. N78 Page 21226, on the 25th day of September, 1978. W. D. MILNE Klamath County Clerk
 by *Bernard J. Deloch* Deputy.

Filed September 25, 1978 at o'clock 3:51 P.
Klamath Falls, Oregon
 County Klamath by *Bernard J. Deloch* Deputy.

Office recorded at _____
 DEPARTMENT OF VETERANS' AFFAIRS Fee \$6.00
 General Services Building
 Salem, Oregon 97310