NOTE AND MORTGAGE

THE MORTGAGOR.

GENE RECTOR AND DARL A. RECTOR, husband and wife

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

The NEWNWA, SWANEA, SEANWA, SWANWA and that portion of NWASWA lying North of Miller Creek, Section 7, Township 40 South, Range 14 East of the Willamette Meridian and ALSO SEINEL, SWINEL, AND that portion of NISEL lying North of Miller Creek Section 12, Township 40 South, Range 13 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

together with the tenements, heriditaments, rights, privileges, and appurtenances including roads and easements used in connection with the premises; electric wiring and fixtures; furnace and heating system, water heaters, fuel storage receptacles; plumbing, coverings, built-in stoves, ovens, electric siaks, and conditioners, refrigerators, the storage receptacles; plumbing, and floor installed in or on the premises; and any shrubbery, flora, or timber now growing or hereafter planted or growing thereon; and any land, and all of the rents, issues, and profits of the mortgaged property;

to secure the payment of Fifty Thousand Nine Hundred Sixty and no/100-

(\$ 50,960.00---), and interest thereon, evidenced by the following promissory note:

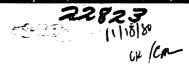
۱	I promise to pay to the STATE OF OREGON Fifty Thousand Nine Hundred Sixty and no/100
	Dollars (\$50,960.00), with interest from the date of initial disbursement by the State of Oregon, at the rate of 5.9
	November 3 19 80 DARL A. RECTOR

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

The mortgagor covenants that he owns the premises in fee simple, has good right to mortgage same, that the premises are free from encumbrance, that he will warrant and defend same forever 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. To pay all debts and moneys secured hereby;
- 2. Not to permit the buildings to become vacant or unoccupied; not to permit the removal or demolishment of any buildings or improvements now or hereafter existing; 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 bear interest as provided in the note;
- 7. To keep all buildings unceasingly insured during the term of the mortgage, against loss by fire and such other hazards in such company or companies and in such an amount as shall be satisfactory to the mortgagee; to deposit with the mortgagee all such rollicles with receipts showing payment in full of all premiums; all such insurance shall be made payable to the mortgagee; insurance shall be kept in force by the mortgagor in case of forcelosure until the period of redemption expires;



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- 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 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, 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 mortgage 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 407.210 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 407.020.

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

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IN WITNESS WHEREOF, The mortgagors have set	their hands and seals this 🛠 day of . November, 1980.
	$\frac{1}{2}$
	GENE RECTOR (See')
_	Valor Forting
	DARL A. RECTOR (Seal)
	(Seal)
ACK	NOWLEDGMENT
STATE OF OREGON	
state of oregon.	\ss.
Before me, a Notary Public, personally appeared the	within named Gene Rector and
Darl A. Pecto	
act and deed.	wife, and acknowledged the foregoing instrument to be voluntary
WITNESS by hand and official seal the day and year	last above written
N /	Karen S. Hamilton
	My Commission expires Oct. 30, 1981
• .	my Commission expires
	MORTGAGE
-	L- P49173
FROM	TO Department of Veterans' Affairs
STATE OF OREGON,	,
County of KLAMATH	SS .
I certify that the within was received and duly reco	rded by me in KLAMATH County Records, Book of Mortgages,
No. M. 80 Page 22822 on the 24th day of NO	VEMBER 1980 KLAMATH County
By Jacqueline J. Wetter	Deputy.
Filed NOVEMBER 21th at	o'clock3:15 P.M.
Wm. D. Milne	By Jacqueline J. Metlee Deputy.
County Clerk	By Jacquellice J. T. Elzee Deputy.
After recording return to: DEPARTMENT OF VETERANS' AFFAIRS	FEE \$ 7.00
General Services Building Salem, Oregon 97310	

Then Let (Rev. 5-71)