

NOTE AND MORTGAGE

THIS MORTGAGOR, RUSSELL W. LEAVITT and JANICE C. LEAVITT, husband and wife
CITY OF KLAMATH, COUNTY OF KLAMATH, STATE OF OREGON,

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:

Lot 19, Block 33, HOT SPRINGS ADDITION TO THE CITY OF KLAMATH FALLS,
in the County of Klamath, State of Oregon.

EXHIBIT 172 (DEED RECORDED 1/27/1983) SOT 407.030 PLAT

COUNTY OF KLAMATH, STATE OF OREGON

COPIES OF KRS 407.030

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MORTGAGE

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together with the tenements, hereditaments, rights, privileges, and appurtenances including roads and easements used in connection with the premises; electric wiring and fixtures; furnace, heating system, water heater, fuel storage receptacles; plumbing, ventilating, water and irrigating systems, pumps, electric electrical service panels; screens, doors; window shades and blinds; shutters; cabinets, built-in; linoleum and floor coverings, built-in; stoves, ovens, electric sinks, air conditioners, refrigerators, freezers, dishwashers; and all fixtures now or hereafter installed in or on the premises; and any shrubbery, flora, 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 **Eight thousand three hundred ninety-four and no/100** Dollars (\$8,394.00--), and interest thereon, and as additional security for an existing obligation upon which there is a balance owing of **Thirty-eight thousand six hundred nineteen and 92/100** Dollars (\$38,619.92--), evidenced by the following promissory note:

I promise to pay to the STATE OF OREGON:
Three thousand three hundred ninety-four and no/100 Dollars (\$3,394.00--), with interest from the date of initial disbursement by the State of Oregon, at the rate of **10.5** percent per annum, **Forty-three thousand six hundred nineteen and 92/100** Dollars (\$43,619.92--), with interest from the date of initial disbursement by the State of Oregon, at the rate of **6.2** percent per annum, interest from the date of initial disbursement by the State of Oregon, at the rate of **6.2** percent per annum, interest from the date of initial disbursement by the State of Oregon, at the rate of **6.2** percent per annum, until such time as a different interest rate is established pursuant to ORS 407.070, 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: \$316.00 on or before September 1, 1983, and thereafter, plus one-twelfth of the ad valorem taxes for each successive year on the premises, and continuing until the full amount of the principal, interest and advances shall be fully paid, such payments to be applied first as interest on the unpaid principal, the remainder on the principal. The due date of the last payment shall be on or before April 1, 2009. 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 prescribed by ORS 407.070 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

July 20

1983

RUSSELL W. LEAVITT
JANICE C. LEAVITT

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

This mortgage is given in conjunction with and supplementary to that certain mortgage to the State of Oregon, dated March 5, 1979, and recorded in Book No. 79, page 5329 Mortgage Records for Klamath County, Oregon, on that date, executed by the Director of Veterans' Affairs, which was given to secure the payment of a note in the amount of \$40,745.00.

This mortgage is also given as security for an additional advance in the amount of \$8,394.00-- together with the balance of indebtedness covered by the previous note, and the new note is evidence of the entire indebtedness due to the Director of Veterans' Affairs, from whom the mortgagor covenants that he owns the premises in fee simple, has good right to mortgage same, that the premises are free from encumbrances, that he will warrant and defend same forever against the claims and demands of all persons whatsoever, 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 expenses secured hereby;
2. To allow the Representatives of the Director of Veterans' Affairs of Oregon to make reasonable inspection of the premises during the life of the loan;
3. Not to permit the buildings to become vacant or unoccupied; not to permit the removal or demolition 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;
4. Not to permit the cutting or removal of any timber except for his own domestic use; not to commit or suffer any waste;
5. Not to permit the use of the premises for any objectionable or unlawful purpose;
6. Not to permit the use of the premises for any tax assessment, lien, or encumbrance to exist at any time, if mortgagee is required to defend against a lawsuit to foreclose a lien or encumbrance, mortgagee may add attorney fees and costs incurred to the principal, to bear interest as provided in the note; if mortgagee pays any taxes, taxes, assessments, or other encumbrances, such payments may also be added to the principal, each of the advances to bear interest as provided in the note;
7. Mortgagor agrees to pay to all real property taxes levied against the premises and add interest on the same;
8. To keep all buildings unseasonably insured during the term of the mortgage, against loss by fire and such other hazards in such company or companies and in such amount as shall be satisfactory to the mortgagee; to deposit with the mortgagee all such policies 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 foreclosure until the period of redemption expires;

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1. The mortgagee may exercise any option or power given him by this note or mortgage, or any security interest, or any power given him by ORS 407.020 or any subsequent amendment 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.

2. The word "heirs" shall be deemed to include the female, and the singular the plural where such connotations are applicable herein.

3. The word "husband" shall be deemed to include the wife, and the singular the plural where such connotations are applicable herein.

4. The word "wife" shall be deemed to include the husband, and the singular the plural where such connotations are applicable herein.

5. The word "spouse" shall be deemed to include the husband or wife, and the singular the plural where such connotations are applicable herein.

6. The word "children" shall be deemed to include the natural, adopted, step, half, and illegitimate children of the spouses, and the singular the plural where such connotations are applicable herein.

7. The word "parent" shall be deemed to include the natural, adoptive, step, half, and illegitimate parents of the spouses, and the singular the plural where such connotations are applicable herein.

8. The word "spouse" shall be deemed to include the husband or wife, and the singular the plural where such connotations are applicable herein.

9. The word "spouse" shall be deemed to include the husband or wife, and the singular the plural where such connotations are applicable herein.

10. The word "spouse" shall be deemed to include the husband or wife, and the singular the plural where such connotations are applicable herein.

11. The word "spouse" shall be deemed to include the husband or wife, and the singular the plural where such connotations are applicable herein.

The mortgagee may, at his option, in writing, demand of the mortgagor to 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 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 of 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 mortgagor shall have the right to enter the premises, take possession, collect the rents, issue 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.

24 ICE C. FEB.

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IN WITNESS WHEREOF, the undersigned have set their hands and seals this
1st day of June, A.D. 1862.

Jerry 1982

RUSSELL W. LEAVITT (Seal)
JANICE C. LEAVITT (Seal)
Concurred (Seal)

ACKNOWLEDGMENT

STATE OF OREGON		KNOWLEDGMENT	
County of Klamath		Date issued 10-2-1982	
Before me, a Notary Public, personally appeared the within named Individual to me known as RUSSELL		SUBSCRIBER	

LEAVILLE and JANICE C.

FROM	MORTGAGE	P08223 Loan Number
STATE OF OREGON,	TO Department of Veterans' Affairs	improvement-Advance
County of	{	}
Klamath	sq.	

I certify that the within was received and duly recorded by me in County Records, Book of Mortgages
No. M83 Page 13016 Date 8-1

For the 21st birthday of me, AUG. 1983. County Klamath
By Sue Opie Deputy, Evelyn Biehn, County
105 S. Commercial, Room 112, Located in the 21st floor of Old City Hall
Phone 424-1000 10-22

10:29 AM, County Clerk
In the office at o'clock Attest: *See Harris* Deputy
County
THE WOLLCOMBE
After recording return to
DEPARTMENT OF VETERANS' AFFAIRS
General Services Building
8:00 AM

SEARCH AND RESCUE