



The Oregon Constitution does NOT contain provisions for the protection of the creditor in a transfer of property by the mortgagor. This provision is intended until July 1, 1987. Any transfer of property between July 1, 1986, and July 1, 1987, will be treated as a transfer under the 1983 "Doe on Sale" law. However, transfers occurring before July 1, 1986, and after July 1, 1986, may be done due on sale with the same terms and conditions as the 1983 "Doe on Sale" law. This provision is intended to provide a period of time for the transfer of property to occur without the risk of a loss under ORS 407.010 to the creditor.

The mortgagor 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 mortgagor given before the expenditure is made, shall cause the entire indebtedness at the option of the mortgagor 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 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, issues and profits and apply same, less reasonable costs of collection, upon the indebtedness and the mortgagor 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.

IN WITNESS WHEREOF, the mortgagors have set their hands and seals this

14th

day of

February 1986

Dated:

*Victor K. Murdock*

(Seal)

Victor K. Murdock

(Seal)

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