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NOTE AND MORTGAGE

VOLUME

THE MORTGAGOR, ROBERT B. CHILCOTE, also known as R. B. CHILCOTE,

and BARBARA J. CHILCOTE, 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 Klamath:

PARCEL A: The SE $\frac{1}{4}$ SW $\frac{1}{4}$, the NE $\frac{1}{4}$ SW $\frac{1}{4}$ and the NW $\frac{1}{4}$ SW $\frac{1}{4}$ all in Section 6, Township 39 South, Range 9 East of the Willamette Meridian; also the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 1, Township 39 South, Range 8 East of the Willamette Meridian. Excepting public roads and/or highways. EXCEPTING parcel of land conveyed by Frank H. McCornack, Jr. and Helen M. McCornack to the State Commission in Deed Volume M-67 at page 1444, recorded March 2, 1967.

PARCEL B: Beginning at an iron pipe which marks the Southeasterly corner of Lot 54 of Lakewood Heights and running thence along the Westerly line of Lot 37 of Lakewood Heights to a point which is its intersection with the projection of the Northwesterly line of Lot 36 of Lakewood Heights; thence Southwesterly along the Northwesterly line of Lot 36 Lakewood Heights to a point which is its intersection with the section line common to Sections 23 and 26 Township 38 South, Range 8 East Willamette Meridian; thence in a straight line to an iron pipe which marks the Southwesterly corner of Lot 54 of Lakewood Heights; thence Northeasterly along the Northwesterly line of Lot 54 of Lakewood Heights to the point of beginning, being all a portion of Lot 4, Section 23, Township 38 South, Range 8 East Willamette Meridian, also including all those portions of the NW $\frac{1}{4}$ SW $\frac{1}{4}$ and the SE $\frac{1}{4}$ SW $\frac{1}{4}$ and all those portions of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ and the SW $\frac{1}{4}$ SE $\frac{1}{4}$ which lie Southerly and Westerly of Lakewood Heights according to the duly recorded plats thereof.

PARCEL C: Lots 4, 5, 6, 7, 8 and 9; 39, 40, 41 and 42; 46, 47 and 48 of LAKEWOOD HEIGHTS.

PARCEL E: Lot 46 of LOMA LINDA HEIGHTS, according to the official plat thereof on file in the records of Klamath County, Oregon.

ALSO, the Southerly one-half of Lot 45 of said LOMA LINDA HEIGHTS, more particularly described as follows:

Beginning at the Southeast corner of Lot 45 of said LOMA LINDA HEIGHTS; thence Northwesterly a distance of

together with the tenements, hereditaments, 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, ventilating, water and irrigating systems; screens, doors, window shades and blinds, shutters; cabinets, built-ins, linoleums 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 replacement 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 Fifty Nine Thousand Four Hundred and No/100 Dollars

(\$59,400.00), and interest thereon, evidenced by the following promissory note:

6690

I promise to pay to the STATE OF OREGON Fifty Nine Thousand Four Hundred and No/100 Dollars (\$59,400.00), with interest from the date of initial disbursement by the State of

Oregon, at the rate of four percent per annum on a principal balance of \$50,000.00 or less and 6.8 percent per annum on the principal balance in excess thereof, 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: \$3,710.00 on or before October 15, 1971 and \$3,710.00 on the 15th of each October thereafter, plus

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, 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 October 15, 1999.

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, Oregon

August 4, 1970

Robert B. Chilcote

Barbara J. Chilcote

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 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;
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 policies with receipts showing payment in full of all premiums; all such insurance shall be made payable to the mortgagee; if the mortgagee fails to effect the insurance, the mortgagee may secure the insurance and the cost shall be added to the principal, deemed a debt due and shall be secured by this mortgage; insurance shall be kept in force by the mortgagor in case of foreclosure until the period of redemption expires.

FORM No. 633-W

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8. 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,

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

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; any purchaser shall assume the indebtedness in same, and to not be entitled to a loan or 4% interest rate under ORS 407.010 to 407.210 shall assume the indebtedness and purchasers shall be due from the date of transfer; in all other respects this mortgage shall remain in full force and effect; no instrument of transfer shall be valid unless same contains a covenant of the grantee whereby the grantee assumes the covenants of the mortgage and agrees to pay the indebtedness secured by same.

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 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 other than those specified in the application, except by written permission of the mortgagee given before, shall cause the entire indebtedness at the option of the mortgagee to be repaid in full. The mortgagee shall be immediately repayable by the mortgagor without demand of the mortgagee or the note shall draw interest at the rate of _____ per cent per annum.

The failure of the mortgagee to exercise any options herein set forth will not constitute a breach of the covenants.

In case foreclosure is commenced, the mortgagor shall be liable for the cost of a title search incurred in connection with such foreclosure.

Upon the breach 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 apply same, less reasonable costs of collection, upon the lender's order.

It is distinctly understood and agreed that the covenants and agreements herein shall extend to and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto.

WORDS: The masculine shall be deemed applicable to the feminine.

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 4th day of August, 1970

Rohar B. Chilab

Charles J. Chute (Seal)

ACKNOWLEDGMENT

STATE OF OREGON

County of Klamath

Before me, a Notary Public, personally appeared the within named Robert B. Chilcote and
Barbara

Barbara J. Chilcote, his wife, and acknowledged the foregoing instrument to be their voluntary

WITNESS by hand and official seal the day and year last above written.

Larry J. Shuck
Notary Public for Oregon

My Commission expires 5/3/74

MORTGAGE

FROM TO Department of Veterans' Affairs L-77232

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. M-70 Page 6689 on the 5th day of August, 1970. WM. D. MILNE, County Clerk

By Myra K. Donahoe Deputy

Filed 11:27 at o'clock A.

County KLAMATH

After recording return to:
DEPARTMENT OF VETERANS' AFFAIRS
General Services Building
Salem, Oregon 97310

Form L (Rev. 9-69)

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FORM No. 633—W

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