

THE MORTGAGOR, CHARLES G. DUNCAN and LEONE M. DUNCAN, husband and wife,

38-11763

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 1

The NE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 3, Township 41 South, Range 11 East of the Willamette Meridian. ALSO the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 34, Township 40 South, Range 11 East of the Willamette Meridian; All that portion of the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 3, Township 41 South, Range 11 East of the Willamette Meridian, and all that portion of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 34, Township 40 South, Range 11 East of the Willamette Meridian, lying East of the following-described line:

Beginning at an iron pin on the West line of said NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 3, Township 41 South, Range 11 East of the Willamette Meridian, which is South 0° 30' East 950 feet from the section corner common to Sections 3 and 4, Township 41 South, Range 11 East of the Willamette Meridian and Sections 33 and 34, Township 41 South, Range 11 East of the Willamette Meridian; thence North 47° 15' East along a fence 312 feet; thence North 15° 45' East along said fence 238 feet to a fence corner; thence South 89° 10' East along a fence 132 feet; thence North 2° 30' West along said fence 1308 feet; thence North 0° 50' East along said fence a distance of 206 feet; thence North 11° East along said fence 268 feet, more or less, to the North boundary of said SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 34, Township 40 South, Range 11 East of the Willamette Meridian, EXCEPTING THEREFROM that portion conveyed to George B. Seebeck et ux., by deed recorded in Volume 307 at page 470, Deed Records of Klamath County, Oregon, as follows:

Commencing at the corner of Section 3, 4, 9 and 10, Township 41 South, Range 11 East of the Willamette Meridian; thence 1320 feet due North to the point of beginning; thence 330 feet due East to a point; thence 1320 feet due North to a point; thence 330 feet due West to a point; thence 1320 feet due South to the point of beginning in the NW $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 3, Township 41 South, Range 11 East of the Willamette Meridian.

PARCEL 2

The SE $\frac{1}{4}$ NW $\frac{1}{4}$ and the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 3, Township 41 South, Range 11 East of the Willamette Meridian.

ALSO

A parcel of land situated in Section 3, Township 41 South, Range 11 East of the Willamette Meridian, more particularly described as follows:

Beginning at a 5/8 inch iron pin at the intersection of the County Road marking the East one-fourth corner of Section 10, Township 41 South, Range 11 East of the Willamette Meridian; thence North 02° 50' East 2643.30 feet to the intersection of the County Road from the South and East marking the Southeast corner of said Section 3; thence North 07° 40' 53" West 871.59 feet to a point on the Westerly right of way line of the U.S.B.R. D-13 lateral; thence North 07° 40' 53" East along the Westerly right of way line of said lateral 290.40 feet; thence North 87° 07' 50" West perpendicular to said right of way line 150.00 feet; thence South 02° 52' 10" West parallel to the right of way line 290.40 feet; thence South 87° 07' 50" East 150.00 feet to the true point of beginning.

PARCEL 3

A parcel of land situated in Sections 33 and 34 in Township 41 South, Range 11 East of the Willamette Meridian, and Section 34 in Township 40 South, Range 11 East of the Willamette Meridian, described as follows:

Beginning at a point on the West line of Section 3, Township 41 South, Range 11 East of the Willamette Meridian, marked by an iron pin 0° 30' East 950 feet from the Northwest corner of Section 3, Township 41 South, Range 11 East of the Willamette Meridian; thence North 47° 15' East 312 feet; thence North 15° 45' East 238 feet to a point on the Easterly boundary of Fleisher Pope Tract; thence North 11° East along said boundary 268 feet, more or less, to the true point of beginning; thence South 89° 10' East 132 feet; thence North 2° 30' West 1308 feet; thence North 0° 50' East 206 feet; thence North 11° East 268 feet, more or less, to the true point of beginning.

The NW $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 3, Township 41 South, Range 11 East of Willamette Meridian.

PARCEL 2

The SE $\frac{1}{4}$ NW $\frac{1}{4}$ and the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 3, Township 41 South, Range 11 East of the Willamette Meridian.

ALSO

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A parcel of land situated in Section 3, Township 41 South, Range 11 East of the Willamette Meridian, more particularly described as follows:

Beginning at a 5/8 inch iron pin at the intersection of the County Roads marking the East one-fourth corner of Section 10, Township 41 South, Range 11 East of the Willamette Meridian; thence North 00° 02' 50" East 2643.30 feet to the intersection of the County Road from the South and East marking the Southeast corner of said Section 3; thence North 07° 40' 53" West 871.59 feet to a point on the Westerly right of way line of the U.S.B.R. D-13 Lateral marking the true point of beginning of this description; thence North 02° 52' 10" East along the Westerly right of way line of said lateral 290.40 feet; thence North 87° 07' 50" West perpendicular to said right of way line 150.00 feet; thence South 02° 52' 10" West parallel to the said right of way line 290.40 feet; thence South 87° 07' 50" East 150.00 feet to the true point of beginning.

PARCEL 3

A parcel of land situated in Sections 33 and 34 in Township 40 South, Range 11 East of the Willamette Meridian, and Section 3, Township 41 South, Range 11 East of the Willamette Meridian, described as follows:

Beginning at a point on the West line of Section 3, Township 41 South, Range 11 East of the Willamette Meridian, marked by an iron pin South 0° 30' East 950 feet from the Northwest corner of Section 3; thence North 47° 15' East 312 feet; thence North 15° 45' East 238 feet to a point on the Easterly boundary of Flesher-Pope Irrigation Ditch, the true point of beginning; thence South 89° 10' East 132 feet; thence along an existing fence North 2° 30' West 1308 feet; thence North 0° 50' East 206 feet; thence North 11° East 268 feet to a point on the South line of the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 34, Township 40 South, Range 11 East of the Willamette Meridian; thence East along said South line to the Southeast corner of said NW $\frac{1}{4}$ SW $\frac{1}{4}$; thence North along the East line of said NW $\frac{1}{4}$ SW $\frac{1}{4}$ to the Northeast corner of said forty; thence West along the North line of said forty and the North line of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 33, Township 40 South, Range 11 East of the Willamette Meridian to the Northwest corner of said NE $\frac{1}{4}$ SE $\frac{1}{4}$; thence South along the West line of said forty to the Northeasterly boundary of the Flesher-Pope Irrigation Ditch; thence Southeasterly along said ditch boundary to the true point of beginning.

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 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 Sixty Four Thousand Eight Hundred Three and No/100----- Dollars
 (\$64,803.00-----), and interest thereon, evidenced by the following promissory note:

I promise to pay to the STATE OF OREGON Sixty Four Thousand Eight Hundred Three and No/100----- Dollars (\$64,803.00-----), with interest from the date of initial disbursement by the State of Oregon, at the rate of 5.9----- percent per annum until such time as a different interest rate is established pursuant to ORS 407.072, 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:

\$4,471.00----- on or before April 15, 1978----- and \$4,471.00 annually 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 balance, the remainder on the principal.

The due date of the last payment shall be on or before April 15, 2012-----

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 January 4, 1977 Charles L. Duncan

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; insurance shall be kept in force by the mortgagor in case of foreclosure until the period of redemption expires;

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 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, 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 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 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 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.

IN WITNESS WHEREOF, The mortgagors have set their hands and seals this _____ day of _____, 1977

Charles G. Duncan (Seal)
Leone M. Duncan (Seal)
 _____ (Seal)

ACKNOWLEDGMENT

STATE OF OREGON, _____ } ss.

County of Klamath

Before me, a Notary Public, personally appeared the within named _____

CHARLES G. DUNCAN and LEONE M. DUNCAN

_____, his wife, and acknowledged the foregoing instrument to be their voluntary act and deed.

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

Susan Kay Avery
 Susan Kay Avery
 Notary Public for Oregon
 My commission expires 6/4/1977

 Notary Public for Oregon

My Commission expires _____

MORTGAGE

M57261

FROM _____ TO Department of Veterans' Affairs

STATE OF OREGON, _____ } ss.

County of Klamath

I certify that the within was received and duly recorded by me in _____ Klamath _____ County Records, Book of Mortgages.

No. M77 Page 182 on the 4th day of January 1977 Klamath County, Oregon

By *Hazel Drizzle* Wm. D. Milne, Deputy.

Filed January 4, 1977 at o'clock 3:23 P. M.

Wm. D. Milne, County Clerk

County Klamath

By *Hazel Drizzle* Deputy.

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

Form L-4 (Rev. 5-71)