

THE MORTGAGOR, ROBERT D. HUGHES and VICKI L. HUGHES,

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 1:

A tract of land situated in the NW¹/₄NE¹/₄ of Section 25, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at an iron pin on the North line of said Section 25, said point being North 89° 30' East a distance of 470.9 feet from the North quarter corner of said Section 25; thence North 89° 30' East along the North line of said Section 25 a distance of 134 feet; thence South 0° 27' East a distance of 361.0 feet; thence South 89° 33' West a distance of 134.0 feet; thence North parallel to the East line thereof a distance of 361 feet, more or less, to the point of beginning.

PARCEL 2:

A tract of land situate in the NW¹/₄NE¹/₄ of Section 25, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon more particularly described as follows:

Beginning at an iron pin on the North line of said Section 25, said point being North 89° 30' East a distance of 604.9 feet from the North quarter corner of said Section 25; thence continuing Northeasterly on the same line a distance of 170 feet; thence South 0° 27' East a distance of 710.8 feet; thence South 89° 30' West a distance of 304 feet; thence North 0° 27' West a distance of 349.5 feet to the Southwest corner of Parcel 1; thence North 89° 30' East a distance of 134.0 feet; thence North 0° 27' West a distance of 361 feet to the point of beginning.

PARCEL 3:

A portion of the NW¹/₄NE¹/₄ of Section 25, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point which lies North 89° 30' East 215.9 feet and South 0° 27' East 710.3 feet from the North quarter corner of said Section and running thence South 0° 27' East 192 feet to the North line of the Great Northern Railway right-of-way; thence Southeasterly along said right-of-way a distance of 117.0 feet; thence North 89° 30' East a distance of 281.2 feet; thence North 0° 27' West 276.3 feet; thence South 89° 30' West a distance of 370 feet, more or less, to the point of beginning.

PARCEL 4:

A tract of land situated in the NW¹/₄NE¹/₄ of Section 25, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point on the North right-of-way line of the County Road, which point is South 89° 33' West 1894.3 feet and North 0° 27' West 30 feet from the iron axle which marks the Southeast corner of the NE¹/₄NE¹/₄ of Section 25, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, and running thence North 0° 27' West 276.3 feet; thence South 89° 33' West 454.9 feet; thence South 47° 55' East 408.7 feet; thence North 89° 33' East 153.7 feet to the point of beginning.

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 forfeiture, 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;

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 building or improvement 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. Mortgage 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 unencumbered 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 mortgagee in case of foreclosure until the period of redemption expires; 190413

MORTGAGOR FURTHER COVENANTS AND AGREES:

The mortgagee 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.

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

Dated at Klamath Falls, Oregon July 7 1978

Robert D. Hughes Wick & N. Co.

This note is secured by a mortgage, the terms of which are made a part hereof.

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.

The due date of the last payment shall be on or before August 15, 2006

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.

\$186,000 on or before September 15, 1978—thereafter, plus one-twelfth of the ad valorem taxes for each 15th of each month.

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:

\$30,400.00 Dollars (30,400.00), with interest from the date of Thirtieth Thousand Four Hundred and no/100

(\$30,400.00), and interest thereon, evidenced by the following promissory note:

to secure the payment of Thirtieth Thousand Four Hundred and no/100 Dollars

land, and all of the rents, issues, and profits of the mortgaged property;

repairs, maintenance, and improvements 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;

ventilating, water and irrigation systems; screens, doors, windows, shades and blinds, shutters, fuel storage receptacles, plumbing, 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, covering, 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 replacemnts 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;

14642

MORTGAGE

14643

NOT AND RECORD
Fee \$9.00

After recording return to:
DEPARTMENT OF VETERANS AFFAIRS
General Services Building
Salem, Oregon 97310
Form L-4 (Rev. 5-71)

Filed July 7, 1978 at 4:55 PM
County Klamath
Klamath Falls, Oregon
By *Richard D. Hughes*
Deputy

No. M78 Page 14641 on the 7th day of July, 1978
WM. D. MINE, Klamath County Clerk

I certify that the within was received and duly recorded by me in Klamath County of STATE OF OREGON.
TO Department of Veterans Affairs
FROM
1. M92832

MORTGAGE

My Commission expires 6-16-81
Notary Public for Oregon
Richard D. Hughes

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

Before me, a Notary Public, personally appeared the within named Robert D. Hughes and Vicki I. Hughes
County of Klamath
STATE OF OREGON

ACKNOWLEDGMENT

Robert D. Hughes
Vicki I. Hughes
(Seal) (Seal)

IN WITNESS WHEREOF, the mortgagors have set their hands and seals this 7th day of July, 1978

10. 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 be paid by the mortgagor. In all other respects this mortgage shall remain in full force and effect.

9. Not to lease or rent the premises, or any part of same, without written consent of the mortgagee.

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.

7. The failure of the mortgagor to exercise any option hereinafter set forth will not constitute a waiver of any right arising from a breach of the covenants.

6. In case foreclosure is commenced, the mortgagor shall be liable for the cost of a wife, attorney fees and all other costs incurred in connection with such foreclosure.

5. 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.

4. The covenants and agreements herein shall extend to and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto.

3. 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 407.015 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 407.005.

2. 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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