

55501

NOTE AND MORTGAGE

THE MORTGAGOR

BRUCE RAYMOND McDONALD & DOROTHY L. GINTER McDONALD,  
AKA BRUCE R. MC DONALD AND DOROTHY L. MC DONALD

husband & wife,

mortgages to the STATE OF OREGON, approved and acting by the Director of Land Affairs, pursuant to ORS 407.030, the following described real property located in the State of Oregon and County of Klamath

As described in the attached Exhibit "A" and by reference thereto made a part hereof:

EXHIBIT "A"

DESCRIPTION OF PROPERTY

All the following described real property situate in Klamath County, Oregon:

Parcel 1: A tract of land situated in the NW $\frac{1}{4}$  of the SE $\frac{1}{4}$  and the NE $\frac{1}{4}$  of the SE $\frac{1}{4}$  of Section 18, Township 24 South, Range 7 East of the Willamette Meridian more particularly described as follows: Beginning at a point which is South 01° 00' 51" West 6.18 feet and East 38.14 feet from the 1/16th corner of the common line between the NE $\frac{1}{4}$  and the SE $\frac{1}{4}$  of said Section 18; thence South 480.0 feet along the so called "false 1/16th line" which lies within the NE $\frac{1}{4}$  of the SE $\frac{1}{4}$  and is East of the common 1/16th line between the NW $\frac{1}{4}$  of the SE $\frac{1}{4}$  and the NE $\frac{1}{4}$  of the SE $\frac{1}{4}$  of said Section 18 to the point of beginning; thence West 294.75 feet to a point; thence continuing West 15 feet more or less to the flow line of Crescent Creek; thence Northerly 120 feet more or less along the flow line of said creek to the intersection of the North line of said tract which is parallel to and 120 feet more or less North of the South line of said tract; thence East 15 feet more or less to a point; thence continuing East 321.4 feet to a point; thence South 120.0 feet along the "false 1/16th line" to the place of beginning.

Parcel 2: A tract of land situated in the NW $\frac{1}{4}$  of the SE $\frac{1}{4}$  and the NE $\frac{1}{4}$  of the SE $\frac{1}{4}$  of Section 18, Township 24 South, Range 7 East of the Willamette Meridian, more particularly described as follows: Beginning at a point which is South 01° 00' 51" West 6.18 feet and East 38.14 feet from the 1/16th corner of the common line between the NE $\frac{1}{4}$  and the SE $\frac{1}{4}$  of said Section 18; thence South 360 feet along the so called "false 1/16th line" which lies within the NE $\frac{1}{4}$  of the SE $\frac{1}{4}$  and is East of the common 1/16th line between the NW $\frac{1}{4}$  of the SE $\frac{1}{4}$  and the NE $\frac{1}{4}$  of the SE $\frac{1}{4}$  of said Section 18 to the point of beginning; thence West 321.40 feet to a point; thence continuing West 20 feet, more or less, to the flow line of Crescent Creek; thence Northwest 200 feet more or less along the flow line of said creek to the intersection of the North line of said tract which is parallel to and 120 feet more or less North of the South line of said tract; thence East 112.0 feet, more or less, to a point; thence continuing East 371.55 feet to a point; thence South 120.00 feet along the "false 1/16th line" to the place of beginning.

Dated at Klamath, Oregon, this 11th day of September, 1978

September 11,

1978

Dorothy L. McDonald

The mortgagee or assignee and their heirs pay all or part of the loan at any time without penalty.

This mortgage is subject to the provisions of the Uniform Land Use Regulation Act, which shall be a part of the mortgage and shall be a part of the deed.

ARTICLE IV - COVENANTS, CONDITIONS AND AGREEMENTS

1. The premises shall be used for residential purposes only.
2. The mortgagor shall not use the premises for any purpose other than residential purposes, nor shall the mortgagor use the premises for any purpose other than residential purposes.
3. The mortgagor shall not use the premises for any purpose other than residential purposes, nor shall the mortgagor use the premises for any purpose other than residential purposes.
4. The mortgagor shall not use the premises for any purpose other than residential purposes, nor shall the mortgagor use the premises for any purpose other than residential purposes.
5. The mortgagor shall not use the premises for any purpose other than residential purposes, nor shall the mortgagor use the premises for any purpose other than residential purposes.
6. The mortgagor shall not use the premises for any purpose other than residential purposes, nor shall the mortgagor use the premises for any purpose other than residential purposes.
7. The mortgagor shall not use the premises for any purpose other than residential purposes, nor shall the mortgagor use the premises for any purpose other than residential purposes.

21173

Together with the following described mobile home, which is firmly affixed to the property:

1978 FUQUA 24 x 64 mobile home, serial no. #5326.

together with the improvements, easements, rights, privileges, and appurtenances including roads and easements used in connection with the premises, electric, water and sewerage, furnace and heating system, water heaters, fuel storage receptacles, plumbing, ventilating, water and sewage disposal systems, screens, doors, window shades and blinds, shutters, cabinets, built-ins, linoleums and floor coverings, built-in stoves, ovens, electric stoves, air conditioning, refrigerators, freezers, dishwashers, and all fixtures now or hereafter installed on or on the premises, and any shutters, doors, or fixtures now growing or hereafter planted or growing thereon; and any real interests in any now or hereafter the foregoing items, or whole or in part, all of which are hereby declared to be appurtenant to the land, and all of the same, shall be a part of the foregoing property.

to secure the payment of Thirty Seven Thousand Forty Six and no/100 Dollars  
\$37,046.00 and interest thereon, evidenced by the following promissory note:

I promise to pay to the STATE OF OREGON Thirty Seven Thousand Forty Six and no/100  
 Dollars (\$ 37,046.00 ), with interest from the date of  
 initial disbursement by the State of Oregon of the sum of 5.9 percent per annum until such time as a  
 different interest rate is established and payment in OREGON 497.02, principal and interest to be paid in lawful money of the United  
 States of the office of the Director of Veterans Affairs in Salem, Oregon, as follows:

\$264.00 on or before October 15, 1978 and \$264.00  
 the 15th of every month thereafter, until the full amount of the principal, interest  
 and expenses shall be fully paid, such payments to be applied first to interest on the unpaid balance, the remainder on the  
 principal.

The due date of the last payment shall be on or before September 15, 1998.

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 show interest as prescribed by OREGON 497.02 from date of such transfer.

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

Dated at Lafayette, OR 97739 September 11, 1978  
James R. McDonald  
Martha L. McDonald

This mortgage or other loan cannot be paid off or any part of the loan at any time without penalty.

The mortgagee acknowledges that he has the power to foreclose and has good right to mortgage same, that the premises are free from any other liens or encumbrances, and that he is not a party to any other lien or encumbrance, and that this document shall not be subject to any other lien or encumbrance.

#### UNWARRANTED WARRANTIES AND AGREES

- To pay all taxes and assessments on the property.
- Not to permit the building to become vacant or unoccupied, nor 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 approved plans between the parties hereto.
- Not to permit the building to be used for any purpose except for his own domestic use, not to commit or suffer any waste.
- Not to permit the use of the premises for any other purpose or unlawful purpose.
- Not to permit any tax assessment, lien, or encumbrance to exist at any time.
- Mortgagee to acknowledge and 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.
- To keep all buildings insured against 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.

1. Mortgagee shall be entitled to all compensation and damages received under right of eminent domain, or for any security voluntarily released, none to be applied upon the indebtedness.

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

3. To protect the mortgage in writing of a transfer of ownership of the premises or any part or interest in same, and to preserve 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 the mortgage.

Default by any of the provisions 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 foreclosure is taken, 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 for 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 obligations herein shall extend to and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties herein.

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 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.

UNLESS THE MANDATES STILL BE DEEMED TO INCLUDE THE FEMININE, AND THE SINGULAR THE PLURAL WHERE SUCH CONNOTATIONS ARE APPLICABLE HEREIN.

THE MOBILE HOME DESCRIBED ON THE FACE OF THIS DOCUMENT IS A PORTION OF THE PROPERTY SECURED BY THIS NOTE AND MORTGAGE.

IN WITNESS WHEREOF, the mortgagors have set their hands and seals this 11<sup>th</sup> day of September, 1978

Bruce R. McDonald (Seal)

Dorothy L. McDonald (Seal)

(Seal)

### ACKNOWLEDGMENT

STATE OF OREGON

County of KLAMATH

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

Bruce R. McDonald &

DOROTHY L. McDonald his wife, and acknowledged the foregoing instrument to be voluntary

and deed.

WITNESS my hand and of legal seal the day and year last above written.



Karen L. Brittain  
Notary Public for Oregon

My Commission expires 3-2-82

### MORTGAGE

L. M95950

TO Department of Veterans' Affairs

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. M78 Page 21172 on the 25th day of Sept. Wm. D. Milne County Clerk

By Bernice A. Helich Deputy.

Filed Sept. 25, 1978

at a clock 11:30 AM

County Clerk

Fee 9.00

By Bernice A. Helich Deputy.

After recording return to  
DEPARTMENT OF VETERANS' AFFAIRS  
General Services Division  
Salem, Oregon 97331