

57093

Vol. M Page 23675

A-31008

NOTE AND MORTGAGE

Leland L. Cheyne and Bonita H. Cheyne

THE MORTGAGOR,

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:

EXHIBIT A Attached

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 Four Thousand Three Hundred Fifty Nine and no/100 Dollars (\$4,359.00), and interest thereon, and as additional security for an existing obligation upon which there is a balance owing of Fifty Three Thousand Nine Hundred Twenty Eight and no/100 Dollars (\$53,928.00),

evidenced by the following promissory note:

I promise to pay to the STATE OF OREGON: Four Thousand Three Hundred Fifty Nine and no/100 Dollars (\$4,359.00), with interest from the date of initial disbursement by the State of Oregon, at the rate of 5.9 percent per annum, Fifty Three Thousand Nine Hundred Twenty Eight and no/100 Dollars (\$53,928.00), 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: \$3,875.00 on or before August 15, 1979, thereafter, plus \$3,875.00 on each August 15th.

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 August 15, 2018. I will continue to be liable for payment in the event of transfer of ownership of the premises or any part thereof, from date of such transfer, 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.

Klamath Falls, Oregon

Dated at

October

18

Leland L. Cheyne
Leland L. Cheyne
Bonita H. Cheyne
Bonita H. Cheyne

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

This mortgage is given in conjunction with and supplementary to that certain mortgage by the mortgagors herein to the State of Oregon, dated March 31, 1978 and recorded in Book M78, page 6252, Mortgage Records for Klamath County, Oregon, which was given to secure the payment of a note in the amount of \$ 53,929.00, and this mortgage is a security for an additional advance in the amount of \$ 4,359.00, together with the balance of indebtedness covered by previous note, and the new note is evidence of the entire indebtedness.

The mortgagor covenants that he owns the premises in fee simple, has good right to mortgage same, that the present 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 improvements now or hereafter existing; to keep same in good repair; to complete all construction within a year; to keep same 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 fire on the premises;
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 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 other causes, and in such an amount as shall be satisfactory to the mortgagee; to deposit such insurance policies with receipts showing payment in full of all premiums; all such insurance shall be made in force by the mortgagor in case of foreclosure until the period of redemption.

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1. This instrument is made in full discharge of the indebtedness of the mortgagor to the mortgagee.
2. 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.
3. Not to lease or rent the premises, or any part of same, without written consent of the mortgagee;
4. 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.
5. 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 20 day of October, 1978

Leland L. Cheyne (Seal)
Leland L. Cheyne

Bonita H. Cheyne (Seal)
Bonita H. Cheyne

ACKNOWLEDGMENT

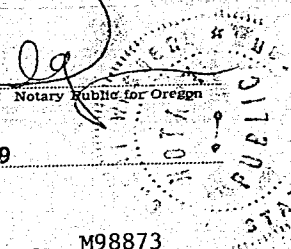
STATE OF OREGON,
County of Klamath ss.

Before me, a Notary Public, personally appeared the within named Leland L. Cheyne and Bonita H. Cheyne

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

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

My Commission expires 8-5-79



MORTGAGE

L. M98873

FROM _____ TO Department of Veterans' Affairs

STATE OF OREGON,
County of _____ ss.

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

No. _____ Page _____ on the _____ day of _____, _____

By _____ Deputy.

Filed _____ at o'clock _____ M.

County _____ By _____ Deputy

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

EXHIBIT A

23677

PARCEL 1

The SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 2, Township 40 South, Range 9 East of the Willamette Meridian.

PARCEL 2

A portion of Section 3, Township 40 South, Range 9, East of the Willamette Meridian, more particularly described as follows:

Starting at the section corner common to Sections 3, 4, 9, and 10, Township 40 South, Range 9 East of the Willamette Meridian; thence North 89°50'30" East a distance of 1314.24 feet to the point of beginning; thence South 89°50'30" West a distance of 49.10 feet; thence North 1°02'30" East a distance of 1071.98 feet; thence North 89°55'30" East a distance of 661.30 feet; thence South 0°11'30" East a distance of 392.29 feet to the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$; thence South 89°50'30" West along said line a distance of 649.24 feet; thence South 1°02'30" West a distance of 678.69 feet, more or less, to the point of beginning. All measurements are based on Survey Map #1430, filed in the office of the County Engineer on January 5, 1970.

PARCEL 3

The S $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ and NE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 3, Township 40 South, Range 9 East of the Willamette Meridian.

SAVING AND EXCEPTING: Starting from the section corner common to Sections 3, 4, 9, and 10, Twp. 40 S, R. 9 E.W.M.; thence North 89°50'30" East a distance of 2610.84 feet; thence North 0°11'30" West a distance of 1069.73 feet to the point of beginning; thence North 0°11'30" West a distance of 267.44 feet; thence South 89°57'30" West a distance of 661.30 feet; thence South 0°11'30" East a distance of 267.71 feet; thence North 89°55'30" East a distance of 661.30 feet, more or less, to the point of beginning. All measurements are based on Survey Map #1430 filed in the office of the County Engineer on January 5, 1970.

EXCEPTING THEREFROM: Any portion of the above described property which may lie within the boundaries of the Right of Way of the Oregon State Highway #432.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Klamath County Title Co.

this 20th day of October A. D. 1978 at 3:55 o'clock P. M., and

truly recorded in Vol. M78, of Mortgages on Page 23675

Fee \$9.00

Wm. D. MILNE, County Clerk
By Bernard H. Hite