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## NOTE AND MORTGAGE

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THE MORTGAGOR,

KENNETH L. TUTER and CORINNE L. TUTER, 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:

A tract of land situated in the Lot 11 ALTAMONT SMALL FARMS, in the County of Klamath, State of Oregon, described as follows:

Beginning at the Southeast corner of said Lot 11; thence North along the East line of said Lot 100 feet; thence West 350 feet parallel to the South line of said lot; thence South parallel to the East line of said lot 100 feet to the South line of said lot; thence East along said South line 350 feet to the point of beginning.

EXCEPT THEREFROM any portion lying within the right of way of Avalon Street.

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 Eleven Thousand Forty Three and no/100 Dollars (\$11,043.00), and interest thereon, and as additional security for an existing obligation upon which there is a balance of Fourteen Thousand Nine Hundred Fifty Five and 79/100 Dollars (\$14,955.79), evidenced by the following promissory note:

I promise to pay to the STATE OF OREGON: Eleven Thousand Forty Three and no/100 Dollars (\$11,043.00), with interest from the date of initial disbursement by the State of Oregon, at the rate of 5.9 percent per annum. Fourteen Thousand Nine Hundred Fifty Five and 79/100 Dollars (\$14,955.79), with interest from the date of initial disbursement by the State of Oregon, at the rate of 5.9 percent per annum. Interest from the date of initial disbursement by the State of Oregon, at the rate of \_\_\_\_\_ 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: \$159.00 on or before February 1, 1979 and \$159.00 on the first of each month thereafter, plus one-twelfth of 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 January 1, 2007.

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  
December 6, 1978

*Kenneth L. Tuter*  
*Corinne L. Tuter*

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 September 2, 1976, and recorded in Book M76, page 13743 Mortgage Records for Klamath County, Oregon, which was given to secure the payment of a note in the amount of \$1,665.00, and this mortgage is also given as security for an additional advance in the amount of \$11,043.00, together with the balance of indebtedness covered by the 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 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 as 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;

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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 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; purchaser shall pay interest as prescribed by ORS 407.070 on all payments due from the date of transfer; in all other respects the mortgage shall remain in full force and effect. The mortgagee may, at his option,

December 1908

IN WITNESS WHEREOF, The mortgagors have set their hands and seals this 6 day of December 1908

Kenneth L. Luter (Seal)  
Carrie L. Luter (Seal)

ACKNOWLEDGMENT

STATE OF OREGON,  
County of Clatsop

55.

Before me, a Notary Public, personally appeared the within named KENNETH L. TUTER and CORINNE L. TUTER, 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.

*Susan Kay Way*  
 Susan Kay Way  
 Notary Public for Oregon  
 My commission expires 6/6/1991  
 Notary Public for Oregon

## MORTGAGE

FROM ..... TO Department of Veterans' Affairs L- P02358  
STATE OF OREGON.

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

No. M78 Page 27466 on the 6th day of December, 1978 WM. D. MILNE Klamath County Clerk

By Bernetha G. Helich \_\_\_\_\_, Deputy.

Filed December 6, 1978 at o'clock 1:03 P. M.  
Klamath Falls, Oregon  
 County Klamath By Bernice Hetch, Deputy

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

Fee \$6.00