60401 FHA 7571-38-17298-3 Vol. M78 Page 29080

NOTE AND MORTGAGE

THE MORTGAGOR, THEODORE J. PADDOCK

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 parcel of land situated in Sections 17, and 13, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, and being more particularly described as follows:

Commencing at a 5/8 inch iron pin marking the intersection of the Northerly right of way line of Joe Wright Road, a county road, with the Easterly right of way line of the Dalles-California Highway No. 97 in the NE¼NE¼ of said Section 19; thence North 03° 38' 00" East, along the Easterly right of way line of said Dalles-California Highway, 1220.68 feet to the true point of beginning of this description; thence continuing on said right of way line along the arc of a curve to the left, the chord of which being North 01° 26' 49" East, 538.97 feet to a 5/8 inch iron pin; thence continuing on said right of way line along the arc of a curve to the left, the chord of which being North 04° 10' 16" West, 108.07 feet to a 5/8 inch iron pin; thence leaving said right of way line North 82° 54' 16" East 775.95 feet; thence South 02° 37' 35" West 109.49 feet to a 5/8 inch iron pin; thence South 27° 13' 42" East 140.65 feet to a 5/8 inch iron pin; thence South 00° 25' 37" East 146.14 feet to a 5/8 inch iron pin; thence South 86° 46' 41" East 810.32 feet to a 5/8 inch iron pin; thence South 64° 58' 47" East 100.71 feet to a 5/8 inch iron pin; thence South 40° 33' 44" East 95.24 feet to a 5/8 inch iron pin; thence South 22° 14' 57" East 68.57 feet to a 5/8 inch ironpin; thence South 11° 20' 45" East 135.83 feet to a 5/8 inch iron pin; thence South 89° 48' 30" West 48.43 feet to a 5/8 inch iron pin; thence South 89° 49' 30" West 850.82 feet to a 5/8 inch iron pin; thence South 89° 52' 55" West 951.85 feet to the true point of beginning of this description, with bearings based on recorded Survey No. 1472, as recorded in the office of the Klamath County Surveyor.

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: $5,68[illegible].00 on or before January 1, 1980 and $ 5,634.00 on each January 1st 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 principal, the remainder on the principal.

The due date of the last payment shall be on or before January 1, 2019

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 97601

Theodore J Paddock

Theodore J. Paddock

On this 29th day of Dec., 19 78

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 13, 19[illegible], and recorded in Book M78, page 20377, Mortgage Records for Klamath County, Oregon, which was given to secure the payment of a note in the amount of $75,000.00 and this mortgage is also given as security for an additional advance in the amount of $10,500.00, 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 demolishment 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

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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 Ten Thousand Five Hundred and no/100------------------------------Dollars ($ 10,500.00----), and interest thereon, and as additional security for an existing obligation upon which there is a balance owing of Seventy Five Thousand and no/100---------------------------------Dollars ($ 75,000.00), evidenced by the following promissory note:

I promise to pay to the STATE OF OREGON:

Ten Thousand Five Hundred and no/100-------------------------Dollars ($ 10,500.00---), with interest from the date of initial disbursement by the State of Oregon, at the rate of 5.9---------- percent per annum,

Seventy Five Thousand and no/100---------------------------Dollars ($ 75,000.00---), with interest from the date of initial disbursement by the State of Oregon, at the rate of 5.9------------percent per annum,

-- Dollars ($------------), with 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: $5,684.00---------- on or before January 1, 1980------------------and $5,684.00 on each January 1st---------------- 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 principal, the remainder on the principal.

The due date of the last payment shall be on or before January 1, 2019-------------------

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 97601

Theodore J. Paddock

Theodore J. Paddock

On this 29th day of Dec., 1978

In case foreclosure is commenced, the ... 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, ... 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 29th day of December 1978

Theodore J. Paddock (Seal)

Theodore J. Paddock (Seal)

(Seal)

ACKNOWLEDGMENT

STATE OF OREGON,
County of Klamath

Before me, a Notary Public, personally appeared the within named Theodore J. Paddock his wife, and acknowledged the foregoing instrument to be his voluntary act and deed.

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

Darlene J. Addington
Notary Public for Oregon

My Commission expires 3-22-81

MORTGAGE

L- P04637

FROM TO Department of Veterans' Affairs

STATE OF OREGON,
County of Klamath } ss.

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

No. M-78 Page 29090 on the 29th day of December 1978 Klamath County

By Jacqueline J Mettler Deputy

Filed December 29, 1978 at o'clock 3:18 P M

County Klamath

By Jacqueline J Mettler, Deputy

Klamath Falls, Oregon

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

Form L-4-A (Rev. 6-73)