

STATE OF OREGON, COUNTY OF KLAMATH; ss.
and for record at request of Mountain Title Co.
this 8th day of January A.D. 1978 at 11:44 clock A.M., and
herein recorded in Vol. M79 of Deeds on Page 539
By W.D. MILHE, County Clerk
Bernice Schleich
Fee \$9.00

60679
57290
MTC 7086
NOTE AND MORTGAGE Vol. M79 Page 542
188 28 00 Page 2397

WILLARD F. NELSON AND CONSTANCE B. NELSON, husband and wife
mortgages to the STATE OF OREGON represented and acting by the Director of Veterans' Affairs, pursuant to ORS 407.030, the follow-
ing described real property located in the State of Oregon and County of Klamath

The Northerly one-half of the following described real property, to wit:

A tract of land situated in the NE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 10, Township 39 South, Range 9 East of the Willamette Meridian in Klamath County, Oregon, more particularly described as follows:

Beginning at an iron pin which lies North 89° 40' East along the forth line a distance of 780.0 feet and North 1° 02' West a distance of 298.4 feet from the iron pin which marks the intersection of 4th Avenue and 4th Street of ALTAMONT ACRES, which point of intersection is also the Southwest corner of the NE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 10, Township 39 South, Range 9 East of the Willamette Meridian and running thence; North 89° 40' East a distance of 224.4 feet to an iron pin which lies on the Westerly right of way line of the U.S.R.S. drain ditch; thence North 4° 22' West along the said Westerly right of way line of the U.S.R.S. Drain a distance of 128.8 feet to an iron pin; thence South 89° 40' West a distance of 216.7 feet to an iron pin; thence South 1° 02' East a distance of 128.4 feet more or less to the point of beginning, said tract being in the NE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 10, Township 39 South, Range 9 East of the Willamette Meridian in Klamath County, Oregon.

TOGETHER WITH THE FOLLOWING DESCRIBED MOBILE HOME WHICH IS FIRMLY AFFIXED TO THE PROPERTY: Year/1977, Make/Fleetwood, Serial Number/2434XXXXXX2438X

Size 24 x 60, 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 conditioning, refrigerators, freezers, dishwashers; and all fixtures now or hereafter installed in or on the premises; and any shrubbery, flowers, 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 Forty Thousand Nine Hundred and no/100 Dollars (\$40,900.00), and interest thereon, evidenced by the following promissory note: 1978

I promise to pay to the STATE OF OREGON Forty Thousand Nine Hundred and no/100 Dollars (\$40,900.00) 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:

\$291.00 on or before January 1, 1979 and \$291.00 on the 1st 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 balance, the remainder on the principal.

The due date of the last payment shall be on or before December 1, 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 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 October 29 1978

Willard F. Nelson
Constance B. Nelson
Willard F. Nelson
Constance B. Nelson

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

- 8. Mortgagee shall be entitled to all compensation and damages received under right of eminent domain, or for any security voluntarily released, 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; 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 this mortgage.

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 covenant.

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 407.01 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.

The mobile home described on the face of this document is a portion of the property secured by this Note & Mortgage.

This mortgage is being rerecorded because of an error in the serial number of the mobile home.

This is one and the same mortgage as filed for recording, dated October 24, 1978, and recorded October 25, 1978, in M78, page 23977, Microfilm records of Klamath County.

IN WITNESS WHEREOF, The mortgagors have set their hands and seals this 25 day of October 1978.

Willard E. Nelson
Willard E. Nelson (Seal)
Constance B. Nelson
Constance B. Nelson (Seal)

ACKNOWLEDGMENT

STATE OF OREGON
County of Klamath

Before me, a Notary Public, personally appeared the within named Willard E. Nelson and Constance B. Nelson

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

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

Donna K. Rick
DONNA K. RICK
NOTARY PUBLIC - OREGON
My Commission Expires 11/21/79

My Commission expires

MORTGAGE

P00224

FROM STATE OF OREGON TO Department of Veterans' Affairs

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 23977 on the 25th day of October, 1978 M. D. MILNE Klamath County Clerk

By *Benedict A. Helich* Deputy

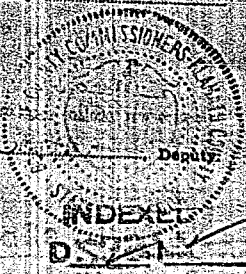
Filed October 25, 1978 at o'clock 11:53 A.M.

Klamath Falls, Oregon
County of Klamath

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

Fee \$6.00

NOTE AND MORTGAGE
FILED



54

Wm D. MILNE, County Clerk
By Lernetha M. Litsch
Fee \$9.00

60680

Vol. 79 Page 545

[illegible]

EXHIBIT "A" - SCHEDULE OF EQUIPMENT

546

PAGE 1 OF 3

FORMING PART OF LEASE AGREEMENT NO. 2193 SF BETWEEN Empire Building Supply, Inc.

EQUIPMENT LOCATED AT: 111 Spring Street, Klamath Falls, Klamath Cty., Oregon 97601, LESSEE, AND SECURITY CAPITAL LEASING, LESSOR

QUANTITY	DESCRIPTION OF LEASED EQUIPMENT (Hereinafter Called "equipment") Make, Model #, Serial #, Other Identification.
	One (1) lot CHILDS store fixtures, shelving, equipment and accessories as follows:
13	W22-9648 Starter
57	W22-9648 Add on
4	W22-9636 Add on
1	W16-5448 Add on
21	W14-6035 Starter
2	W16-5448 Starter
4	G18-6048 Starter
15	G18-6048 Add on
6	G18-6648 Starter
27	G18-6648 Add on
8	G18-7848 Starter
39	G18-7848 Add on
2	STG-18-6048 Starter
6	STG18-6048 Add on
1	STG18-6648 Starter
5	STG18-6648 Add on
1	STG18-7848 Starter
5	STG18-7848 Add on
3	BP-4748 Peg back-54
21	BP-5336 Peg back-60
2	CPB 3496 Box corner
43	SC1248-4 Shelves
194	SC1448-4 "
155	SC1648-4 "
122	SC1848-4 "
36	SC2048-4 "
5	SC2248-4 "
42	SC1236-3 "
4	SC1436-3 "
4	SC1636-3 "
2	SC1836-3 "
4	SL1448-4 NT Shelves
5	GSF 12-48 Glass frame
26	GSF 14-48 " "
8	GSF 16-48 " "
4	GSF 14-36 " "
2	GSF 16-36 " "
3	WCS 96 Starter canopy
22	WCS 96 Add on "
4	WCS 36 Add on "

EXHIBIT "A" - SCHEDULE OF EQUIPMENT

547

PAGE 2 OF 3 PAGE

FORMING PART OF LEASE AGREEMENT NO. 2193 SF BETWEEN Empire Building Supply, Inc.

EQUIPMENT LOCATED AT: 111 Spring Street, Klamath Falls, Klamath Cty., Oregon 97601 LESSOR, AND SECURITY CAPITAL LEASING, LESSEE

QUANTITY	DESCRIPTION OF LEASED EQUIPMENT (Hereinafter Called "equipment") Make, Model #, Serial #, Other Identification.
3	W8 Valfend
1	96-WC silver canopy
2	48-48 GSD Glass doorkit
2	1448 GDEP End panel
4	48 WGUS Grid shelf
2	152 BT Bin tags
6	TSDS-48 Toilet seat shelf
27	TM48-8 Bin 2
65	TM-8 Bin div.
6	48-Garden front
10	FB-102 Reel disp.
8	CB96 MD Cross bar
8	CB2-L Brick
8	CB2-RErkt
3	MD2272-8 Divider
3	278-1SD Shovel disp.
3	278-3RD Rake "
2	278-2HD Hoe "
8	48 Ph. Prod. Ret.
8	TMF 48-3 Wire fence
1	TMF 48-4 " "
6	TMFD 123 Dividers
9	TMFD 143 "
6	TMFD 168 "
4	TMFD 188 "
3	TMFD 185 "
2	TMFD 223 "
1	TMFCD 48 Cross Div.
1	TMFCD 63 " "
8	MD-6 Peg hook
13	MD-8 " "
11	MD-10 " "
2	HDS-4 " "
4	HDS-8 " "
8	HDS-12 " "
3	Peg-3 w/adpt Peg hook
16	UC 60P Covers
12	UC 60P-2 Covers
12	UC 78P-2 "
6	EUC 24P "
30	48 SGF Gap filler
12	16 CE6 Brct
3	24 EXUC Extender

EXHIBIT "A" - SCHEDULE OF EQUIPMENT

547

PAGE 2 OF 3 PAGES.

FORMING PART OF LEASE AGREEMENT NO. 2193 SF BETWEEN Empire Building Supply, Inc. LESSEE, AND SECURITY CAPITAL LEASING, LESSOR.
EQUIPMENT LOCATED AT: 111 Spring Street, Klamath Falls, Klamath Cty., Oregon 97601

QUANTITY	DESCRIPTION OF LEASED EQUIPMENT (Hereinafter Called "equipment") Make, Model #, Serial #, Other Identification.
3	W8 Val end
1	96-WC silver canopy
2	48-48 GSD Glass doorkit
2	1448 GDEP End panel
4	48 WGUS Grid shelf
2	152 BT Bin tags
6	TSDS-48 Toilet seat shelf
27	TM48-8 Bin 2
65	TM-8 Bin div.
6	48-Garden front
10	FB-102 Reel disp.
8	CB96 MD Cross bar
8	CB2-L Brkt
8	CB2-R Brkt
3	MD2272-8 Divider
3	278-1SD Shovel disp.
3	278-3RD Rake "
2	278-2HD Hoe "
8	48 Pr. Prod. Ret.
8	TMF 48-3 Wire fence
1	TMF 48-4 " "
6	TMFD 123 Dividers
9	TMFD 143 "
6	TMFD 163 "
4	TMFD 183 "
3	TMFD 185 "
2	TMFD 223 "
1	TMFCD 43 Cross Div.
1	TMFCD 63 " "
8	MD-8 Peg hook
13	MD-8 " "
11	MD-10 " "
2	HDS-4 " "
4	HDS-8 " "
8	HDS-12 " "
3	Peg-9 w/adpt Peg hook
16	UC 60P Covers
12	UC 60P-2 Covers
12	UC 78P-2 "
6	EUC 24P "
30	48 SGF Gap filler
12	16 CE6 Brkt
3	24 EXUC Extender