

THE MORTGAGOR.

Thomas A. Ayres and Mary E. Ayres

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

Parcel 1:

A tract of land situated in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 18, Township 39 South, Range 10 E.W.M., Klamath County, Oregon, more particularly described as follows: Beginning at a 5/8 inch iron pin on the East right of way line of State Highway No. 39 (Klamath Falls-Merrill Highway), said point being located South a distance of 1326.66 feet and East a distance of 29.61 feet from the bolt purportedly marking the Southwest corner of Section 7, Township 39 S., R. 10 E.W.M., as set and shown by record of survey No. 1018 filed in the office of the Klamath County Surveyor, said beginning point also being North a distance of 3989.91 feet and East a distance of 9.80 feet from the iron pin marking the Southwest corner of Section 18, Township 39 S., R. 10 E.W.M.; thence N 89°47'40" E along the Westerly extension of an old existing fence line and along said fence line 1001.20 feet; thence South 293.25 feet; thence N 70°49'32" E 102.63 feet to a point on the arc of a 50 foot radius curve; thence Southeasterly along the arc of said curve (central angle = 102°21'44") 90.25 feet; thence S 31°36'12" E 104.55 feet; thence S 65°48'00" W 10.00 feet; thence S 24°12'00" E 180.00 feet; thence S 65°48'00" W 91.43 feet to the beginning of a curve; thence along the arc of said curve to the left (central angle = 42°41'30" and radius = 135.77 feet) 101.16 feet; thence S 23°06'30" W 74.72 feet; thence along the arc of a curve to the right (central angle = 113°45'00" and radius = 100 feet) 193.53 feet; thence N 43°08'30" W 185.00 feet to the True Point of Beginning of this description; thence N 46°51'30" E 118.75 feet; thence N 43°08'30" W 49.82 feet; thence on the arc of a curve to the left (central angle = 16°33'45" and radius = 220 feet) 63.60 feet; thence S 30°17'45" W 114.36 feet; thence S 43°08'30" E 80.00 feet to the True Point of Beginning of this description.

PARCEL 2:

A tract of land situated in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 18, Township 39 South, Range 10 E.W.M., Klamath County, Oregon, more particularly described as follows: Beginning at a 5/8 inch iron pin on the East right of way line of State Highway No. 39 (Klamath Falls-Merrill Highway), said point being located South a distance of 1326.66 feet and East a distance of 29.61 feet from the bolt purportedly marking the Southwest corner of Section 7, Township 39 S.R. 10 E.W.M., as set and shown by record of survey No. 1018 filed in the office of the Klamath County Surveyor, said beginning point also being North a distance of 3989.91 feet and East a distance of 9.80 feet from the iron pin marking the Southwest corner of Section 18, T. 39 S.R. 10 E.W.M.; thence N 89°47'40" E along the Westerly extension of an old existing fence line and along said fence line 1001.20 feet; thence South 293.25 feet; thence N 70°49'32" E 102.63 feet to a point on the arc of a 50 foot radius curve; thence Southeasterly along the arc of said curve (central angle = 102°21'44") 90.25 feet; thence S 31°36'12" E 104.55 feet; thence S 65°48'00" W 10.00 feet; thence S 24°12'00" E 180.00 feet; thence S 65°48'00" W 91.43 feet to the beginning of a curve; thence along the arc of said curve to the left (central angle = 42°41'30" and radius = 135.77 feet) 101.16 feet; thence S 23°06'30" W 74.72 feet; thence along the arc of a curve to the right (central angle = 113°45'00" and radius = 100 feet) 193.53 feet; thence N 43°08'30" W 265.00 feet to the True Point of Beginning of this description; thence continuing N 43°08'30" W 74.64 feet; thence N 65°09'30" W 116.01 feet; thence N 00°16'00" W 25.21 feet; thence N 89°47'40" E 102.35 feet; thence along the arc of a curve to the right (central angle = 30°30'05" and radius = 220.00 feet) 117.12 feet; thence S 30°17'45" W 114.36 feet to the True Point of Beginning of this description, containing 0.32 acre, more or less.

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 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.

2930

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 Fifty Thousand and no/100----- Dollars

(\$50,000.00-----), and interest thereon, evidenced by the following promissory note:

I promise to pay to the STATE OF OREGON Fifty Thousand and no/100----- Dollars (\$50,000.00-----), 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:

\$297.00----- on or before April 15, 1980----- and \$297.00 on the 15th of every 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 March 15, 2010-----

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.

Klamath Falls, Oregon

Dated at February 13, 1980

Thomas A. Ayres
Thomas A. Ayres

Mary E. Ayres
Mary E. Ayres

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 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 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.

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, and the mortgage shall be subject to foreclosure.

Upon the breach of the foregoing 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, executors, administrators, successors and

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 13 day of February, 1980.

Thomas A. Ayres (Seal)

Mary E. Ayres (Seal)

(Seal)

ACKNOWLEDGMENT

STATE OF OREGON.

County of Klamath

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

Thomas A. Ayres and 1 5230

Mary E. Ayres

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

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

Notary Public for Oregon

My Commission expires 8-5-83

MORTGAGE

FROM _____ TO Department of Veterans' Affairs

P31529

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. M80 Page 2929 on the 13th day of February, 1980 WM. D. MILNE Klamath County Clerk

By Bernetha A. Hetch, Deputy.

Filed February 13, 1980 at o'clock 4:35 P.M.
Klamath Falls, Oregon

County Klamath

By Bernetha G. Gletsch, Deputy.

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

Fee \$10.50