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38-21955
NOTE AND MORTGAGE

Vol. 8 Page 14313

DEVELOPMENT OF ASSETS FOR THE MORTGAGOR

MARTIN DALE SCULL and DOROTHY MAE SCULL, 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

See description attached hereto as page 3.

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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 all land, and all of the rents, issues, and profits of the mortgaged property;

to secure the payment of One Hundred Fifty Thousand Nine Hundred Forty Nine and no/100-- Dollars (\$150,949.00--), and interest thereon, evidenced by the following promissory note:

I promise to pay to the STATE OF OREGON One Hundred Fifty Thousand Nine Hundred Forty Nine and no/100-- Dollars (\$150,949.00--), 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:

\$9,907.00 on or before June 1, 1981 thereafter, plus \$9,907.00 on every 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 June 1, 2020. 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 407.072 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 August 8, 1980.

Martin Dale Scull
MARTIN DALE SCULL

Dorothy Mae Scull
DOROTHY MAE SCULL

The mortgage 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; not to permit the use of the premises for any objectionable or unlawful purpose.

4. Not to permit any tax, assessment, lien, or encumbrance to exist at any time.

5. 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.

6. To keep all buildings unceasingly insured during the term of the mortgage, against loss by fire and such other hazards in 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.

7. To keep all buildings unceasingly insured during the term of the mortgage, against loss by fire and such other hazards in 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. To keep all buildings unceasingly insured during the term of the mortgage, against loss by fire and such other hazards in 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.

9. To keep all buildings unceasingly insured during the term of the mortgage, against loss by fire and such other hazards in 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.

10. To keep all buildings unceasingly insured during the term of the mortgage, against loss by fire and such other hazards in 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.

11. To keep all buildings unceasingly insured during the term of the mortgage, against loss by fire and such other hazards in 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.

12. To keep all buildings unceasingly insured during the term of the mortgage, against loss by fire and such other hazards in 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, 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; 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.

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

IN WITNESS WHEREOF, The mortgagors have set their hands and seals this 8th day of August, 1980

Martin Dale Scull (Seal)
MARTIN DALE SCULL
Dorothy Mae Scull (Seal)
DOROTHY MAE SCULL (Seal)

STATE OF OREGON
County of Klamath

Before me, a Notary Public, personally appeared the within named MARTIN DALE SCULL and DOROTHY MAE SCULL, 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.

Betty Hazel
Notary Public for Oregon
My Commission expires 6/30/84

MORTGAGE

L-P43560

FROM MARTIN DALE SCULL & DOROTHY MAE SCULL to Department of Veterans Affairs

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. 38-91822 Page 2 on the 8th day of August, 1980 County Oregon

By [Signature] Deputy
Filed at 10 o'clock M
County Klamath By [Signature] Deputy

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

PARCEL 1

A parcel of land situated in Section 15, 16, 21 and 22, Township 40 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon, being more particularly described as follows: 14915

Beginning at the brass cap marking the one-quarter corner common to Sections 21 and 22, Township 40 South, Range 8 East of the Willamette Meridian; thence North 89° 51' 07" East, 1359.56 feet along the East-West centerline of said Section 22 to a 5/8" iron rod; thence leaving said East-West centerline, North 33° 31' 32" East, 888.11 feet to a 5/8" iron rod; thence North 11° 57' 22" East, 1936.75 feet to a 5/8" iron rod on the South high bank of the Klamath Straits Drain; thence continuing North 11° 57' 22" East, 15 feet, more or less, to the mean high water line of said Klamath Straits Drain; thence Northwesterly, Westerly and Southwesterly following the sinuosities of the mean high water line on the South bank of said Klamath Straits Drain to a point from which a 5/8" iron rod on the South high bank bears South 14° 24' 59" West, 35 feet, more or less; thence leaving said mean high water rod; thence continuing South 14° 24' 59" West, 686.33 feet to a point on the section line common to Sections 16 and 21, from which point the brass cap marking the section corner common to Sections 15, 16, 21 and 22 bears South 89° 53' 08" East, 1959.37 feet; thence continuing South 14° 24' 59" West, 1294.93 feet to a 5/8" iron rod in an old existing fence line; thence South 18° 48' 53" East, 524.47 feet to a 5/8" iron rod; thence South 18° 50' 57" East, 265.97 feet to a 5/8" iron rod; thence North 84° 15' 10" East, 255.91 feet to a 5/8" iron rod; thence North 27° 30' 04" East, 63.56 feet to a 5/8" iron rod; thence North 61° 25' 23" East, 150.42 feet to a 5/8" iron rod; thence North 67° 38' 26" East, 184.65 feet to a 5/8" iron rod; thence North 81° 24' 58" East, 301.57 feet to a 5/8" iron rod; thence South 76° 01' 40" East, 346.23 feet to a 5/8" iron rod; thence South 58° 52' 04" East, 155.25 feet to a 5/8" iron rod; thence South 64° 48' 24" East, 747.15 feet to a 5/8" iron rod on the section line common to Sections 21 and 22, Township 40 South, Range 8 East of the Willamette Meridian; thence South 00° 05' 08" East, 458.61 feet along said section line to the point of beginning.

EXCEPTING THEREFROM Government Lot 9 of Section 22, Township 40 South, Range 8 East of the Willamette Meridian.

PARCEL 2

Government Lot 9 of Section 22, Township 40 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

PARCEL 3

That portion of the NW¼SE¼ lying Westerly of the Keno-Worden Road and that portion of the NE¼SW¼ lying Westerly of the Keno-Worden Road, LESS AND EXCEPTING THEREFROM the W¼W¼N¼NE¼SW¼ thereof, all in Section 27, Township 40 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

TOGETHER WITH THE FOLLOWING DESCRIBED MOBILE HOME WHICH IS FIRMLY AFFIXED TO THE PROPERTY: Year/1972, Make/Westwood, Serial Number/2307, Size 60x14.

Page 3

STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 11th day of August A.D., 1980 at 11:29 o'clock A M., and duly recorded in Vol M80 of Mortgages on Page 14913.

FEE \$10.50

WM. D. MILNE, County Clerk

By Bessie L. Milne Deputy