

K-33966 94325

## NOTE AND MORTGAGE

KENNETH H. DUNCAN AND EVELYN R. DUNCAN

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

## DESCRIPTION OF PROPERTY

All the following described real property situated in Klamath County, Oregon:

Beginning on the Section line at a point 600 feet North of the Southeast corner of Section 16, Township 41 South, Range 12 East, Willamette Meridian; thence North on the Section line to the Southeast corner of premises described in deed from Fred Spolek to Bloody Point Post No. 6147 of Veterans of Foreign Wars, recorded March 7, 1947, in Book 203, page 211, Deed records of Klamath County, Oregon, which point is 110 feet South of the Northeast corner of the SE 1/4 of said Section 16; thence West along the South line of said premises 268 feet to a point; thence North 110 feet to a point; thence West to the Northwest corner of Government Lot 10 of said Section 16; thence continuing West 347 feet, more or less, along the South line of premises described in Deed from Katie Spolek to George L. Spolek, et ux., recorded in Book 115, page 9, to the Southerly line of the Depot Road; thence Southwesterly along said road line to the Northeast corner of premises described in Deed from Katie Spolek to Clifford D. King, et ux., recorded November 10, 1942, in Book 151, page 122 Deed Records of Klamath County, Oregon; thence South to the Southeast corner of the said King premises; thence West 690.5 feet, more or less, to the Southwest corner of premises described in deed from Fred Spolek to James E. Rogers, et ux., recorded March 24, 1947, in Book 204, page 55, Deed Records of Klamath County, Oregon; thence North along the West line of said Rogers premises, to the South line of Depot Road; thence Southwesterly along the Depot Road to the Northeast corner of premises described in deed from Katie Spolek, a widow, to the City of Malin, recorded July 30, 1945, in Book 178, page 311, Deed Records of Klamath County, Oregon; thence South 1050 feet, more or less, along the East line of said City premises to the South line of said Section 16; thence East along the Section line to a point 726 feet West of the Southeast corner of Section 16, which point is the Southwest corner of premises conveyed by Katie Spolek to Klamath Potato Growers Association recorded August 1, 1945, in Book 178, page 373; thence North along the West line of the Association premises, 600 feet to the Northwest corner thereof; thence East along the North line of said Association premises 726 feet to the Northeast corner thereof, and the point of beginning, being portion of Government Lots 6, 10, 15 and 16 of Section 16 Township 41 South, Range 12 East of the Willamette Meridian.

SAVING AND EXCEPTING that portion sold to the City of Malin in Deed Volume M69 page 586, Records of Klamath County, Oregon.

States at the office of the Director of Veterans' Affairs in Salem, Oregon, as follows:

\$6,659.00 on or before January 1, 1982 and \$6,659.00 on the 1st of every January 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 balance, the remainder on the principal.

The due date of the last payment shall be on or before January 1, 2021.

In the event of transfer of ownership of the premises or any part thereof, I will continue to be liable for payment and from this 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, OR

Dated at January 2, 1981

Kenneth H. Duncan

Evelyn R. Duncan

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 this 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; all such insurance shall be made payable to the mortgagee; policies with receipts showing payment in full of all premiums; all such 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; 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 mortgagee 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 407.020 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 2 day of January, 1981

Kenneth H. Duncan (Seal)  
Evelyn R. Duncan (Seal)

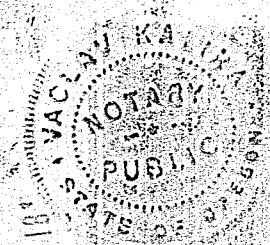
STATE OF OREGON

County of Klamath

Before me, a Notary Public, personally appeared the within named Kenneth H. Duncan and Evelyn R. Duncan

Duncan, 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.



Vadav Kalina  
Notary Public for Oregon  
My Commission expires June 1, 1982

MORTGAGE

P49551

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. M31 Page 44 on the 2nd day of January, 1981 Evelyn Biehn Acting County Clerk  
By Bernetha J. Hirsch Deputy.

Filed January 2, 1981 at o'clock 1:21 P.M.  
Klamath Falls, Oregon  
County Klamath By Bernetha J. Hirsch Deputy.

After recording return to:  
DEPARTMENT OF VETERANS' AFFAIRS  
General Services Building  
Salem, Oregon 97310  
Form L-4 (Rev. 9-71)

KEENEH H. FEER \$10.50 D EALAN K. DANCOR  
NOTE YND WOKLEVEE

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