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NOTE AND MORTGAGE

Vol. M8 Page

THE MORTGAGOR,

WALTER SMITH, JR. and DOROTHY M. SMITH,

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8446

husband and wife as tenants in common

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

The NE $\frac{1}{4}$ SE $\frac{1}{4}$ EXCEPT the Northerly 60 feet thereof in Section 9, Township 40 South, Range 13 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

A portion of W $\frac{1}{4}$ SW $\frac{1}{4}$ lying North of the Langell Valley Irrigation District High Line Ditch in Section 10, Township 40 South, Range 13 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

PARCEL 2

#1. All that portion of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 10 and of the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 14 and of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 15, lying Westerly of the Easterly line of the Drain Ditch, said Easterly line of the Drain Ditch being more particularly described as follows:

Beginning at an iron pin at the intersection of the North boundary of the County Road and the Easterly boundary of the Drain Ditch, said point being East a distance of 2418.05 feet and South 38° 50' East a distance of 1712.4 feet from the iron pin marking the North $\frac{1}{4}$ corner of said Section 15; thence North 38° 50' West a distance of 2351.2 feet; thence North 13° 20' West a distance of 836.5 feet to the East-West fence line accepted as the North boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 10, All in Township 40 South, Range 13 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

W.D. 0 M. 3
ALSO the S $\frac{1}{2}$ of NE $\frac{1}{4}$ of NW $\frac{1}{4}$, The S $\frac{1}{2}$ of NW $\frac{1}{4}$ of NE $\frac{1}{4}$, and the S $\frac{1}{2}$ of NW $\frac{1}{4}$ of Section 15, and the NE $\frac{1}{4}$ of Section 16, All in Township 40 South, Range 13 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

#2. The S $\frac{1}{2}$ of SW $\frac{1}{4}$ of Section 2, The N $\frac{1}{2}$ of NW $\frac{1}{4}$ and the NW $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 11, All in Township 40 South, Range 13 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

#3 The E $\frac{1}{2}$ of SW $\frac{1}{4}$, The SW $\frac{1}{4}$ SW $\frac{1}{4}$, The W $\frac{1}{4}$ SE $\frac{1}{4}$, and SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 16, The NW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 22, and the NE $\frac{1}{4}$ NE $\frac{1}{4}$ and the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 21, All in Township 40 South, Range 13 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

EXCEPTING from the above described property all those portions conveyed to United States of America, by deeds recorded in Volume 59 page 205, Volume 64 page 42, Volume 69 page 605, Volume 76 at page 21, Volume 232 page 475, and Volume 235 page 501, Deed Records of Klamath County, Oregon, and portion thereof contained in existing roadways, ditches, canals and laterals.

ALSO EXCEPTING Timber Deed to Edna Hornsby recorded on page 153 of Volume 110 of Deeds, conveying timber on NE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 16, NW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 22.

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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 One Hundred Five Thousand and no/100 Dollars (\$105,000.00), and interest thereon, and as additional security for an existing obligation upon which there is a balance owing of Fifteen Thousand Nine Hundred Seventy Seven and 16/100 Dollars (\$15,977.16), evidenced by the following promissory note:

I promise to pay to the STATE OF OREGON:
Fifteen Thousand Nine Hundred Seventy Seven and 16/100 Dollars (\$15,977.16), with interest from the date of initial disbursement by the State of Oregon, at the rate of 4.0 percent per annum,
One Hundred Five Thousand and no/100 Dollars (\$105,000.00), with interest from the date of initial disbursement by the State of Oregon, at the rate of 5.9 percent per annum,
 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: \$7,699.00 on or before November 1, 1981 and \$7,699.00 on every November 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 November 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 407.070 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, Or., 97601

August 7,

1980

Walter Smith Jr.
 Walter Smith Jr.
Dorothy M. Smith
 Dorothy M. Smith

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 April 3, 1961, and recorded in Book 201, page 461, Mortgage Records for Klamath County, Oregon, which was given to secure the payment of a note in the amount of \$24,000.00, and this mortgage is also given as security for an additional advance in the amount of \$105,000.00 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 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;

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; or the indebtedness shall be paid in full by the mortgagee.
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 407.210 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.

This mortgage is being rerecorded because of an error in the legal description.

This is one and the same mortgage as filed for recording, dated August 7, 1980 and recorded August 7, 1980 in Book M-80, Page 14740 in the microfilm records of Klamath County, Oregon.

W 87. DMS

IN WITNESS WHEREOF, The mortgagors have set their hands and seals this 7th day of August, 1980

x Walter Smith Jr. (Seal)

Walter Smith Jr.

x Dorothy M. Smith (Seal)

Dorothy M. Smith

(Seal)

ACKNOWLEDGMENT

STATE OF OREGON,

County of Klamath } ss:

Before me, a Notary Public, personally appeared the within named Walter Smith Jr. and

Dorothy M. Smith, 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.

Julia Carroll
Notary Public for Oregon

My Commission expires Feb. 14, 1981

MORTGAGE

FROM _____ TO Department of Veterans' Affairs

L- P43501

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. M80 Page 14740 on the 7th day of August, 1980 WM. D. MILNE Klamath County Clerk

By Bernetha J. Letoch, Deputy.

Filed August 7, 1980 at o'clock 3:49 P.M.

Klamath Falls, Oregon

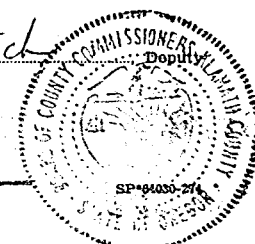
County Klamath

By Bernetha J. Letoch

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

Fee \$10.50

INDEXED



STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of _____
this 13th day of May A. D. 19 81 at 10:48 o'clock A., and
duly recorded in Vol. M81, of Mtg on Page 8446

EVELYN BIEHN, County Clerk

Fee \$14.00

By

Debra Aganzen