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STATE OF OREGON 1970
COUNSEL FOR VETERANS AFFAIRS
DEPARTMENT OF VETERANS AFFAIRS
VETERANS' AFFAIRS DIVISION
THE MORTGAGOR, WILLIS A. DRAKE and DOROTHY C. DRAKE, husband and wife

COMPTA

KTBWSPN

NOTE AND MORTGAGE

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:

Lots 3, 4, 5, 6, 7, 8, 9, and 10 in Block 31 of vacated portion of WEST KLAMATH, in the County of Klamath, State of Oregon, ALSO the West 20' of the vacated alley adjacent on the East of Lot 3 thru 6 of said Block 31. TOGETHER WITH the perpetual but non-exclusive easement for roadway purposes over the E_{1/2} of vacated Second Street adjacent to Lots 3 through 8 inclusive of said Block 31, vacated West Klamath.

STATE OF OREGON

KNOW

THIS INSTRUMENT IS A PUBLIC RECORD

WOKIYEES

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 heater, fuel storage receptacles; plumbing, ventilating, water and irrigating systems, pumps, electrical services, power, generators, doors, windows, shades and blinds, shutters; cabinets; built-ins, linoleum 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 Two thousand eighteen and no/100 Dollars 2,018.00--

(\$ 2,018.00--), and interest thereon, and as additional security for an existing obligation upon which there is a balance owing of Thirty-seven thousand six hundred thirty-four and 13/100--- Dollars (\$ 37,634.13),

evidenced by the following promissory note:

I promise to pay to the STATE OF OREGON: Two thousand eighteen and no/100 Dollars (\$ 2,018.00--), with interest from the date of initial disbursement by the State of Oregon, at the rate of 11 percent per annum, Thirty-seven thousand six hundred thirty-four and 13/100--- Dollars (\$ 37,734.13---), with interest from the date of initial disbursement by the State of Oregon, at the rate of 6.2 percent per annum, interest from the date of initial disbursement by the State of Oregon, at the rate of 6.2 percent per annum, interest from the date of initial disbursement by the State of Oregon, at the rate of 6.2 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: \$ 295.00 on or before September 15, 1982, and \$ 295.00 on the 15th of every month thereafter, plus one-twelfth of the ad valorem taxes for each successive year of the premises described in the mortgage, and continuing until the full amount of the principal, interest and advances shall be fully paid with 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 August 15, 2002.

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

7-21

1982

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 to the State of Oregon, dated April 13, 1979, and recorded in Book M-79, page 8785, Mortgage Records for Klamath County, Oregon,

which was given to secure the payment of a note in the amount of \$ 40,375.00.

The mortgagee is granted the right to foreclose against the mortgagor in the event of default, and this mortgage is also given as security for an additional advance in the amount of \$ 2,018.00, together with the balance of indebtedness covered by the original mortgage, to the extent of the amount of the additional advance, 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. To allow the Representatives of the Director of Veterans' Affairs of Oregon to make reasonable inspection of the premises during the life of the loan;
3. 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;
4. Not to permit the cutting or removal of any timber except for his own domestic use; not to commit or suffer any waste;
5. Not to permit the use of the premises for any objectionable or unlawful purpose;
6. Not to permit any tax, assessment, lien, or encumbrance to exist at any time; if mortgagor is required to defend against a lawsuit to foreclose a lien or encumbrance, mortgagor may add attorney fees or costs incurred by the principal, to bear interest as provided in the note; if mortgagor pays any liens, taxes, assessments or other encumbrances, such payments may also be added to the principal, to bear interest as provided in the note;
7. Mortgagor is authorized to pay all real property taxes assessed against the premises and add same to the principal; each of these bear interest as provided in the note;
8. To keep all buildings adequately 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 mortgagor; to deposit with the mortgagor all such policies with receipts showing payment in full of all premiums; all such insurance shall be made payable to the mortgagor; insurance shall be kept in force by the mortgagor in case of foreclosure until the period of redemption expires;

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- the benefit of Lender or exhibitor.
9. Mortgagor 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.
10. Not to lease or rent the premises, or any part of same, without written consent of the mortgagee;
11. To transfer ownership in prior written consent from the Director to transfer ownership or possession of property that is security for a loan obtained from the Department of Veterans' Affairs. Where such consent is given, borrower must promptly notify mortgagee in writing of a transfer of ownership of the premises or any interest in same, and furnish a copy of the instrument of transfer. Transferee 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 mortgagor 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.

WORD(S): The masculine "shall" be deemed to include the feminine, and the singular, the plural where such connotations are applicable herein.

This instrument is drawn in consideration of the sum of \$500.00, payable to the holder, or to his order, on demand, or at a time or times thereafter.

The instrument is executed in two copies, one copy to be held by the holder, the other by the maker.

Dated at

IN WITNESS WHEREOF, The mortgagors have set their hands and seals this 21st day of July, 1982.

WILLIS A. DRAKE

DOROTHY C. DRAKE

(Seal)

(Seal)

(Seal)

ACKNOWLEDGMENT

STATE OF OREGON,

JULY 25, 1982 Klamath County, Oregon, Clerk's Office

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

WILLIS A. DRAKE & Dorothy C.

and acknowledged to be true in the style of signature

Debbie McElveen, his wife and acknowledged the foregoing instrument to be voluntary

act and deed.

WITNESS my hand and official seal the day and year last above written

8:01A.M. ---

to execute the foregoing instrument.

Notary Public for Oregon

My Commission expires

10-8-82

MORTGAGE

FROM _____ TO Department of Veterans' Affairs

STATE OF OREGON,

3 BUILDING 3, INCIRIAG 01 2910 BLOCK 31 } ss. 1982 Klamath County, Oregon
County of Klamath, Oregon, REC'D. 291056 RECORDING DEPT.
as per Deed Rec'd. 291056 REC'D. 291056 REC'D. 291056
BLOCK 31, LOCATED MILK RING BELLEVUE, CITY OF Klamath, County of Klamath, Oregon, REC'D. 291056 REC'D. 291056
I certify that the within was received and duly recorded by me in the County Records, Book of Mortgages,
No. M82, Page 11956 on the 10 day of Sept. '82. Evelyn Biehn, Klamath County Clerk

By Joyce McElveen Deputy.

Filed 9-10-82 at 10:55 A.M.

County Klamath By Joyce McElveen Deputy

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

Fee \$8.00

NOTE AND MORTGAGE

SP-50629-274

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