

NOTE AND MORTGAGE

THE MORTGAGOR, MICHAEL T. FROST and GAIL O. FROST husband and wife

County Klamath

mortgages to the STATE OF OREGON, represented and acting by the Director of Veterans' Affairs, pursuant to ORS 467.030, the following described real property located in the State of Oregon and County of KLAMATH:

A tract of land situated in the Northeast Quarter of Section 7, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a 5/8 inch iron pin from which the corner common to Sections 5, 6, 7 and 8 of said Township and Range, bears North 49° 02' 09" East a distance of 1145.0 feet (said Section corner marked by an iron axle); thence South 02° 36' 50" West a distance of 650.69 feet to the Northeast corner of parcel of land conveyed to Charles Fisher and Ron Phair by Deed recorded February 9, 1977, in Volume M77, page 2413, Microfilm Records of Klamath County, Oregon; thence West along the North line of last mentioned parcel to a point on the apparent Easterly right of way line of Booth Road; thence continuing West 30 feet, more or less, to the West line of the E 1/4 of said Section 7; thence North 0° 15' 55" East along said West line a distance of 666.05 feet to the Northwest corner of tract conveyed to Lee L. Gilder, et ux, by Deed recorded January 12, 1977 in Volume M77, page 1272, Microfilm Records of Klamath County, Oregon; thence South 87° 39' 31" East 30 feet, more or less to a point on the apparent Easterly right of way line of Booth Road; thence continuing South 87° 39' 31" East along the Northerly line of last mentioned tract, a distance of 442.7 feet, to the point of beginning.

EXCEPTING THEREFROM a strip of land 30 feet wide along the West side thereof, conveyed to Klamath County by Deed recorded September 18, 1961 in Volume 332, page 237, Deed Records of Klamath County, Oregon.

ALSO EXCEPTING THEREFROM a parcel of land situated in the NE 1/4 of Section 7, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a 5/8" iron pin from which the corner common to Sections 5, 6, 7 and 8, said Township and Range, bears North 49° 02' 09" East a distance of 1145.0 feet; thence North 87° 39' 31" West, a distance of 442.7 feet to a point on the apparent Easterly right of way line of Booth Road; thence continuing North 87° 39' 31" West a distance of 30.2 feet, more or less, to the West line of the E 1/4 of said Section 7; thence South 00° 15' 55" West along said West line a distance of 159.5 feet to a point; thence South 89° 44' 05" East a distance of 30.0 feet to the apparent Easterly right of way line of Booth Road; thence continuing South 89° 44' 05" East a distance of 436.6 feet, more or less, to the Easterly line of tract conveyed to Lee L. Gilder, et ux by Deed recorded in Volume M77, page 1272, Microfilm Records of Klamath County, Oregon; thence North 02° 36' 56" East along said Easterly line a distance of 138.5 feet, more or less to the point of beginning.

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together with the tenements, hereditaments, rights, privileges, and appurtenances including roads and easements used in connection with the provision electric wiring and fixtures; furnaces and heating system, water heater, fuel storage receptacles, plumbing, ventilating, water and irrigating systems, pumps, electrical service panels; 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 hereon; 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 Eighteen thousand ninety-one and no/100-----Dollars (\$18,091.00---); and interest thereon, and as additional security for an existing obligation upon which there is a balance owing of Forty-four thousand nine hundred eight and 42/100----- Dollars (\$44,908.42,

evidenced by the following promissory note:

I promise to pay to the STATE OF OREGON:

Eighteen thousand ninety-one and no/100----- Dollars (\$18,091.00---), with

interest from the date of initial disbursement by the State of Oregon, at the rate of 10.5----- percent per annum,

Forty-four thousand nine hundred eight and 42/100----- Dollars (\$44,908.42---), with

interest from the date of initial disbursement by the State of Oregon, at the rate of 6.2----- percent per annum,

----- Dollars (\$-----), with

interest from the date of initial disbursement by the State of Oregon, at the rate of ----- percent per annum,

----- Dollars (\$-----), with

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: \$468.00----- on or before September 1, 1983----- and

\$468 on the 1st 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 principal, the remainder on the principal.

The due date of the last payment shall be on or before April 1, 2008-----

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, Oregon-----

August 15, 19 83

Michael T. Frost
MICHAEL T. FROST
Gail O. Frost
GAIL O. FROST

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 March 9, 19 78,

and recorded in Book M78, page 4539, Mortgage Records for KLAMATH County, Oregon.

which was given to secure the payment of a note in the amount of \$46,500.00-----

and this mortgage is also given as security for an additional advance in the amount of \$18,091.00-----, 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. 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 mortgagee is required to defend against a lawsuit to foreclose a lien or encumbrance, mortgagee may add any attorney fees or costs incurred to the principal, to bear interest as provided in the note; if mortgagee 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. 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;
8. To keep all buildings unseasonably 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;

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.

When the mortgage is commenced, the mortgagee 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 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 497.010 to 497.014 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 497.020.

The words "he" masculine shall be deemed to include the feminine and the singular the plural where such connotations are applicable herein.

IN WITNESS WHEREOF The undersigned have set their hands and seals this 15th day of August, 1983

[Handwritten signature]

MICHAEL E. FROST

[Handwritten signature]

GAIL O. FROST

ACKNOWLEDGMENT

STATE OF OREGON,

County of Klamath

Before me, a Notary Public, personally appeared the within named MICHAEL T. FROST and GAIL O. FROST

and acknowledged the foregoing instrument to be their **voluntary**

act and deed
1-5-60

born [illegible] in the month of [illegible] who [illegible]
[illegible] at the day and year last above written.

[illegible]

Notary Public for Oregon
Kristi L. Garrison
My Commission expires 2/19/87

MORTGAGE

FROM _____ TO Department of Veterans' Affairs _____
 STATE OF OREGON. _____
 County of Klamath _____

13888

I certify that the within was received and duly recorded by me in _____ County Records, Book of Mortgages _____

No. MB3 Page 13685 on the 15 day of Aug 1983 Evelyn Blinn County Clark

San Luis Deputy.

the assassin had been located in the State of California, and the
 rined to 15 August 1983 at 3:15 P.M.

County Klamath By Shirley J. Jones
 THE NOTARY PUBLIC ARCHIVES & RECORDS DIVISION

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

SS012300 fee

SP-5002-274

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