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K-36918

THE MORTGAGOR,

NOTE AND MORTGAGE

Vol. M84 Page 10165

CONRAD A. PENCE and PAULA A. PENCE,

Husband and Wife

mortgagor 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

Lot 51 LESS the North 30 Feet, CLOVERDALE, in the County of Klamath, State of Oregon.

together with the tenements, hereditaments, rights, privileges, and appurtenances including roads and easements used in connection with the premises; electrical wiring and fixtures; furnace and heating system; water heater; dishwashers; receptacles; plumbing; ventilating, water and irrigating systems; pumps; electrical service panels; screens; doors; window shades and blinds; shutters; cabinets; built-in; 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 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 Eleven Thousand Two Hundred Thirteen and no/100 Dollars (\$ 11,213.00), and interest thereon, and as additional security for an existing obligation upon which there is a balance owing of Thirty Thousand Seven Hundred Eighty-Six and 53/100 Dollars (\$ 30,786.53), evidenced by the following promissory note:

I, Conrad A. Pence and Paula A. Pence, promise to pay to the STATE OF OREGON, Thirty Thousand Seven Hundred Eighty-Six and 53/100 Dollars (\$ 30,786.53), with interest from the date of initial disbursement by the State of Oregon, at the rate of 6.2 percent per annum, Eleven Thousand Two Hundred Thirteen and no/100 Dollars (\$ 11,213.00), with interest from the date of initial disbursement by the State of Oregon, at the rate of 10.5 percent per annum, interest from the date of initial disbursement by the State of Oregon, at the rate of _____ 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: \$ 315.00 or before July 15, 1984 \$ 315.00 on the first of each month thereafter, plus one-twelfth of the and 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, each payment to be applied first as interest on the unpaid principal, the remainder on the principal. The due date of the next payment shall be on or before August 15, 2007. 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 FallsJune 1584

Conrad A. Pence
Paula A. Pence

The mortgage, 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 the certain mortgage to the State of Oregon, dated July 20, 1979, re-recorded in Book M79 page 24009, Mortgage Records for Klamath County, Oregon, which was given to secure the payment of a note in the amount of \$ 32,775.00

and the mortgage is also given as security for an additional advance in the amount of \$ 11,213.00 together with the balance of indebtedness covered by the previous note, and the new note is evidence of, together with the balance of indebtedness covered by the previous note, 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 taxes 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, nor 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 growing on the premises for his own domestic use, nor 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 on the premises; if mortgagee is required to defend against a lawsuit to foreclose a lien or encumbrance, mortgagee may add any attorney's fees or costs incurred by the principal, to bear interest as provided in the note; if mortgagee pays any taxes, 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 as assessed against the premises and has same to the principal, each of the advances to bear interest as provided in the note;
8. To keep all buildings continuously insured during the term of the mortgage, against loss by fire and such other hazards as such company or companies in such an amount as shall be satisfactory to the mortgagee, to deposit with the mortgagee all such policies and insurance shall be kept in the period of redemption expires;

Legal Correct mePayment amount correct me

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9. Mortgages shall be entitled to all compensation and charges accrued under right of eminent domain, or for any security voluntarily released, same to be applied upon the mortgagee.
10. No release of real property, or any part of same, without written consent of the mortgagee.
11. The mortgagee shall have the right to transfer or assign the property that is security for a loan obtained from the Department of Veterans Affairs, where such consent is given, however, must promptly notify mortgagee in writing of a transfer of ownership of the premises or any interest in same, and attach a copy of the instrument of transfer. Transferor's liability interest shall be subject to ORS 407.020 on all payments due from the date of transfer.
12. The balance of this loan is unsecured and payable in full upon the second sale or other transfer of all or part of the property securing this loan after July 1, 1983. However, transfer or sale to the original borrower, the surviving spouse, unmarried son or spouse, surviving child or stepchild of the original borrower, or to a veteran eligible for a loan under ORS 407.010 to 407.020 and Article XI-A of the Oregon Constitution does not count as a sale or transfer for purposes of the provisions of this paragraph.

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

18

day of

June

1984

Conrad A. Pence
Conrad A. Pence

(Seal)

Paula A. Pence
Paula A. Pence

(Seal)

(Seal)

ACKNOWLEDGMENT

STATE OF OREGON,

County of Klamath

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

Conrad A. Pence andPaula A. Pence

his wife and acknowledged the foregoing instrument to be their voluntary act and deed.

WITNESSES my hand and official seal the day and year last above written.

My Commission expires

8-5-87

MORTGAGE

P14327

Loan Number

FROM

TO Department of Veterans Affairs

STATE OF OREGON,

County of KlamathI certify that the within was received and duly recorded by me in Klamath County Records, Book of Mortgages,No. M84 Page 10165 on the 18 day of June 1984 Evelyn Biehn County Clerkby Pam Smith DeputyFiled June 18, 1984at o'clock 3:14 P.M.County Clerk, Evelyn BiehnBy Pam Smith DeputyAfter recording return to:
DEPARTMENT OF VETERANS AFFAIRSFee: 18.00

2150 N.E. Studio Rd.

Bend OR 97701

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