

Hubband and Wife

mortgage 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
As described in the attached Exhibit "A" and by reference made a part hereof:

Exhibit "A"

A parcel of land situated in the N $\frac{1}{2}$ S $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 11, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:
Beginning at the southwest corner of the E $\frac{1}{2}$ SE $\frac{1}{4}$ (E 1/16 corner) of said Section 11; thence N. 00°26'00" W. (N.00°16' W. by Deed Volume M-74-9088, as recorded in the Klamath County Deed records) 1846.3 feet; thence S. 89°40'10" E. (S.89°31' E. by said Deed Volume M-74-9088) 150.00 feet to the True Point of Beginning of this description, thence continuing S. 89°40'10" E. 80.00 feet; thence S. 00°19'50" E. 141.54 feet to the Northerly line of said N $\frac{1}{2}$ S $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$; thence N. 89°41' W., along said line, 81.89 feet; thence S. 00°26'00" E. 141.53 feet to the True Point of Beginning.

to secure the payment of Five thousand thirty-six & no/100 Dollars (\$5,036.00), and interest thereon, and as additional security for an existing obligation upon which there is a balance owing of Forty-five thousand seven hundred sixty-eight & 74/100 Dollars (\$45,768.74), evidenced by the following promissory note:

I promise to pay to the STATE OF OREGON:
Forty-five thousand seven hundred sixty-eight & 74/100 Dollars (\$45,768.74), with interest from the date of initial disbursement by the State of Oregon, at the rate of 7.7 percent per annum,
Five thousand thirty-six & no/100 Dollars (\$5,036.00), 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,
Interest from the date of initial disbursement by the State of Oregon, at the rate of _____ percent per annum,
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: \$ 397.00 on or before November 1, 1986 and
\$ 397.00 on the first of each 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 to the interest on the unpaid principal, the remainder on the principal.
The due date of the last payment shall be on or before August 1, 2010
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
SEPTEMBER 30TH 1986
JAMES M. EVANS
TRUDI D. EVANS

The mortgage, or subsequent owner may pay all or any part of the loan at any time without penalty.
This mortgage is given in connection with and supplementary to that certain mortgage to the State of Oregon, dated June 10, 1980 and recorded in Book M80 page 10660 Mortgage Records for Klamath County, Oregon, which was given to secure the payment of a note in the amount of \$ 48,450.00 and this mortgage is also given as security for an additional advance in the amount of \$ 5,036.00 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:

- To pay all debts and moneys secured hereby;
- 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;
- 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;
- Not to permit the cutting or removal of any timber, except for his own domestic use; not to commit or suffer any waste;
- Not to permit the use of the premises for any objectionable or unlawful purposes;
- 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 taxes, assessments or other encumbrances, such payments may also be added to the principal, to bear interest as provided in the note;
- 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;
- To keep all buildings continuously insured during the term of the mortgage, against loss by fire and such other hazards in such company or companies and to such an extent 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;

[illegible]

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[illegible]

to secure the payment of Five thousand thirty-six & no/100 ----- Dollars
(\$ 5,036.00) and interest thereon, and as additional security for an existing obligation upon which there is a balance
owing of Forty-five thousand seven hundred sixty-eight & 74/100 ----- Dollars (\$ 45,768.74)

I promise to pay to the STATE OF OREGON:

Forty-five thousand seven hundred sixty-eight & 74/100 Dollars (\$45,768.74), with

interest from the date of initial disbursement by the State of Oregon, at the rate of 7.7 percent per annum,

Five thousand thirty-six & no/100 Dollars (\$5,036.00), 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,

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: \$ 397.00 on or before November 1, 1986 thereafter, plus one-twelfth of

\$ 397.00 on the first of each month

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 August 1, 2010

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.

Date at KLAMATH FALLS, OREGON
 on SEPTEMBER 30TH 1986

part herof.

James M. Evans
JAMES M. EVANS

Trudi D. Evans
TRUDI D. EVANS

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 June 10, 1980, and recorded in Book M80 page 10660 Mortgage Records for Klamath County, Oregon.

which was given to secure the payment of a note in the amount of \$: 48,450.00
together with the balance of indebtedness covered
by the previous note, and the new note is evidence of the entire indebtedness.
The simple has good right to mortgage same, that the premises are free
from all persons whomsoever, and

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 money secured hereby;
2. To allow the Representative 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 assignment, lien, or encumbrance to exist at any time; if mortgagee is required to defend against a lawsuit to foreclose a lien on the premises, mortgagee may add any attorney fees or costs incurred to the principal; to bear interest as provided in the note; taxes, loans, 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 unconditionally insured during the term of the mortgage, against loss by fire and such other hazards in such company or companies as he deems proper; to deposit with the mortgagee all such policies with receipts showing payment in full of each amount so shall be satisfactory to the mortgagee; insurance shall be kept in force by the mortgagor in case of foreclosure of the mortgage; all premiums; all such insurance shall be made payable to the mortgagee; the period of redemption expires;

Total correct *mk*

Legal correct mk
Payment amount correct mk

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 407.310 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 407.620.

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 30th day of SEPTEMBER, 1986

James M. Evans (Seal)
James M. Evans
Trudi D. Evans (Seal)
Trudi D. Evans

ACKNOWLEDGMENT

STATE OF OREGON }
County of Klamath }
Before me, a Notary Public, personally appeared the within named JAMES M. EVANS AND
Trudi D. Evans, his wife and acknowledged the foregoing instrument to be voluntary
act and deed.



Susan C. Creel
Notary Public for Oregon

MORTGAGE P40538

FROM TO Department of Veterans Affairs Loan Number J3372

STATE OF OREGON, }
County of Klamath }

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

No. M86 Page 17714, on the 30th day of Sept. 1986, Evelyn Biehn, County Clerk

By Ann Smith Deputy

Filed September 30, 1986 at o'clock 9:55 AM

County Clerk, Evelyn Biehn, by Ann Smith Deputy

After recording return to:
DEPARTMENT OF VETERANS AFFAIRS
155 NE Revere
Bend OR 97701
Fee: \$13.00