

NOTE AND MORTGAGE

WARREN H. WINSTEAD and FRANCES L. WINSTEAD, husband and wife,
represented and acting by the Director of Veterans' Affairs, pursuant to ORS 407.030, the following-
Klamath

The N1/2 S1/2 NW1/4 SE1/4 of Section 16, Township 23 South, Range 10 East of the
Willamette Meridian, Klamath County, Oregon.

Together with the following described mobile which is firmly affixed to the property:

1977 K1r Golden Sunrise 24 X 60 mobile home
Serial #2586 License #X143444 9

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, lawn, or flower bed, 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 Seventeen Thousand and no/100
(\$ 17,000.00), and interest thereon, evidenced by the following promissory note:

I promise to pay to the STATE OF OREGON Seventeen Thousand and no/100
(\$ 17,000.00), with interest from the date of
initial disbursement by the State of Oregon, at the rate of 5.9 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:
\$ 121.00 on or before June 1, 1978, thereafter, plus one/twelfth of \$ 121.00
on the 1st 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 as interest on the unpaid balance, the remainder on the
principal.
The due date of the last payment shall be on or before May 1, 1998.
In the event of transfer of ownership of the premises or any part thereof, I will continue to be liable for payment and
this balance shall draw interest as provided 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.
If the mortgaged premises are sold, the proceeds of such sale shall be applied to the payment of the principal and interest
on this mortgage in the order of priority herein provided.
The mortgage and this note shall be subject to the provisions of the Uniform Gifts to Minors Act (UGMA) and the Uniform
Transfers to Minors Act (UTMA) as amended from time to time.
The mortgagor and subsequent owner may pay all or any part of the loan at any time without penalty.

MORTGAGOR FURTHER COVENANTS AND AGREES:
1. To pay all debts and moneys secured hereby;
2. Not to permit the cutting or removal of any timber except for his own domestic use; not to commit or suffer any waste;
3. Not to permit any tax, assessment, lien, or encumbrance to exist at any time;
4. Mortgagee is authorized to pay all real property taxes assessed against the premises and add same to the principal, each of the
advances he bears interest as provided in the note;
5. 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;

Return KCT Co.

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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;

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 mortgagor to exercise any option 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.

THE MOBILE HOME DESCRIBED ON THE FACE OF THIS DOCUMENT IS A PORTION OF THE PROPERTY SECURED BY THIS NOTE AND MORTGAGE

ON THE 1ST OF EACH MONTH hereinafter provided for in the mortgage and the addition of the statement shown immediately above.

This document is being re-recorded because of the addition of the statement shown immediately above.

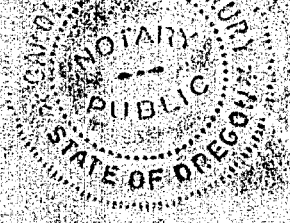
IN WITNESS WHEREOF, The mortgagors have set their hands and seals this 27 day of March, 1978.

Warren W. Winstead (Seal)
Frances L. Winstead (Seal)

ACKNOWLEDGMENT
STATE OF OREGON
County of Klamath

Before me, a Notary Public, personally appeared the within named WARREN W. WINSTEAD and FRANCES L. WINSTEAD, his wife, and acknowledged the foregoing instrument to be their voluntary act and deed.

WITNESS by hand and official seal the day and year last above written.



Carol Yvonne Duff
Notary Public for Oregon
My Commission expires February 1, 1981

FROM STATE OF OREGON TO Department of Veterans' Affairs

County of Klamath

I certify that the within was received and duly recorded by me in Klamath County Records, Book of Mortgages, No. M78, Page 5864, on the 28th day of March, 1978.

By Bernetha H. Helich, Deputy.

Filed March 28, 1978 at Klamath Falls, Oregon County Klamath

After recording return to: DEPARTMENT OF VETERANS' AFFAIRS, General Services Building, Salem, Oregon 97310. Fee \$6.00. INDEXED. 20438

