55022

T/A 38-16291-S
Vol. M78 Page 20427

NOTE AND MORTGAGE

THE MORTGAGOR, JAMES R. GUERIN and THELMA A. GUERIN, husband and wife

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:

Lot 15, Block 212, HILLS SECOND ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.

together with the hereinafter described rights, privileges, and appurtenances including roads and easements used in connection with the premises, electric wiring and fixtures; heating and heating system, water heaters, fuel storage receptacles; plumbing, bathroom, water and irrigating systems; screens, storm sashes, storm doors, window shades and blinds, shutters, cabinets, built-ins, linoleums and floor coverings, built-in stoves, ovens, electric units, air conditioners, refrigerators, freezers, dishwashers; and all fixtures now or hereafter installed on or on the premises, and any shrubbery, trees, or climbers now growing or hereafter planted or growing thereon; and any growing crops or growth, and any shrubbery, trees, and growth of the premises, 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 premises;

to secure the payment of Thirty Two Thousand Two Hundred and no/100 ($32,200.00) Dollars and interest thereon, evidenced by the following promissory note:

I promise to pay to the STATE OF OREGON Thirty Two Thousand Two Hundred and no/100 Dollars ($32,200.00), 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:

$197.00 on or before November 15, 1978 and $197.00 on the 15th of each month thereafter, plus one-twelfth of the ad valorem taxes for each succeeding 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 October 15, 2006.

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 407.072 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 14th, 19 78

James R. Guerin
James R. Guerin

Thelma A. Guerin
Thelma A. Guerin

The mortgagor or subsequent owner may pay all or any part of the loan at any time without penalty.

The mortgagor covenants that he owns the premises in fee simple, has good right to mortgage same, that the premises are free from encumbrances, 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. Not to permit the buildings to become vacant or unoccupied, not to permit the removal or demolishment 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;
3. Not to permit the cutting or removal of any timber except for his own domestic use; not to commit or suffer any waste;
4. Not to permit the use of the premises for any objectionable or unlawful purpose;
5. Not to permit any tax, assessment, lien, or encumbrance to exist at any time;
6. 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 on the note;
7. 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 mortgagee in case of foreclosure until the period of redemption expires;

8. Mortgagee shall be entitled to all compensation and damages received under right of eminent domain, or for any security volun-
tarily released, taken 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. The principle hereof mortgagee is entitled to receive a copy of the instrument of conveyance of the premises or any part or interest in same, and to
furnish a copy of the instrument and to notify the mortgagee of ownership of the premises or any part or interest in same, and to
all payments due from the date of notice; in all other respects a purchaser shall pay interest as prescribed by ORS 407.070 on
the principal; in all other respects this mortgage shall remain in full force and effect.

The mortgagee may, at his option, make any payment or do any act required 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, without 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 be 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 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.

WHENCE: 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 14th day of September, 19 78

James R. Guerin (Seal)
James R. Guerin

Thelma A. Guerin (Seal)
Thelma A. Guerin

(Seal)

ACKNOWLEDGMENT

STATE OF OREGON,
County of Klamath } ss.

Before me, a Notary Public, personally appeared the within named James R. Guerin and
Thelma A. Guerin, 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.

Notary Public for Oregon

My Commission expires 4-5-82

MORTGAGE

FROM

TO Department of Veterans' Affairs

L-M97645

STATE OF OREGON,
County of Klamath } ss.

I certify that the within was received and duly recorded by me in Klamath County Records, Book of Mortgages,
No. M78 Page 20427 on the 15th day of September, 1978 WM. D. Milne Klamath County Clerk

By Charlotte A. Kitch, Deputy.

Filed September 15, 1978 at 10:51 A.M.
Klamath Falls, Oregon
County Klamath

By Charlotte A. Kitch, Deputy.

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

Fee $6.00

Form L-4 (Rev. 1-77)