

TN

3380

Vol. m8/ Page 14745



THIS MORTGAGE, Made this 12th day of August, 1981, by
THOMAS ALLAN FERGUSON

Mortgagor, to THOMAS P. VALLEE and PATRICIA J. VALLEE, husband and wife

Mortgagee,

WITNESSETH, That said mortgagor, in consideration of ONE THOUSAND TWO HUNDRED FIFTY AND NO/100s Dollars, to him paid by said mortgagee, does hereby grant, bargain, sell and convey unto said mortgagee, his heirs, executors, administrators and assigns, that certain real property situated in Klamath County, State of Oregon, bounded and described as follows, to-wit:

The South 20 feet of the West 57 feet of Lot 81 and the West 57 feet of Lot 82, CASITAS, in the County of Klamath, State of Oregon.

THIS MORTGAGE IS A SECOND MORTGAGE AND IS BEING RECORDED JUNIOR AND SECOND TO A FIRST MORTGAGE IN FAVOR OF THE STATE OF OREGON, REPRESENTED AND ACTING BY THE DIRECTOR OF VETERANS' AFFAIRS.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and which may hereafter thereto belong or appertain, and the rents, issues and profits therefrom, and any and all fixtures upon said premises at the time of the execution of this mortgage or at any time during the term of this mortgage.

TO HAVE AND TO HOLD the said premises with the appurtenances unto the said mortgagee, his heirs, executors, administrators and assigns forever.

This mortgage is intended to secure the payment of a promissory note, of which the following is a substantial copy:

\$ 1,250.00 Klamath Falls, Oregon 97601 August 12, 1981
On or before August 12, 1982, I (or if more than one maker) we jointly and severally promise to pay to the order of THOMAS P. VALLEE and PATRICIA J. VALLEE, husband and wife at Klamath Falls, Oregon or as directed
---THE SUM OF ONE THOUSAND TWO HUNDRED FIFTY AND NO/100s---DOLLARS, with interest thereon at the rate of 11 % per annum from August 12, 1981 until paid; interest to be paid at maturity and if not so paid, all principal and interest, at the option of the holder of this note, to become immediately due and collectible. Any part hereof may be paid at any time. If this note is placed in the hands of an attorney for collection, I/we promise and agree to pay holder's reasonable attorney's fees and collection costs, even though no suit or action is filed hereon; if a suit or an action is filed, the amount of such reasonable attorney's fees shall be fixed by the court or courts in which the suit or action, including any appeal therein, is tried, heard or decided.

Thomas P. Vallee & Patricia J. Vallee

COPY

FORM No. 216—PROMISSORY NOTE.

TO STEVENS, NESS, LAW PUB. CO., PORTLAND, ORE.

The date of maturity of the debt secured by this mortgage is the date on which the last scheduled principal payment becomes due, to-wit: August 12, 1982

And said mortgagor covenants to and with the mortgagee, his heirs, executors, administrators and assigns, that he is lawfully seized in fee simple of said premises and has a valid, unencumbered title thereto

and will warrant and forever defend the same against all persons; that he will pay said note, principal and interest, according to the terms thereof; that while any part of said note remains unpaid he will pay all taxes, assessments and other charges of every nature which may be levied or assessed against said property, or this mortgage or the note above described, when due and payable and before the same may become delinquent; that he will promptly pay and satisfy any and all liens or encumbrances that are or may become liens on the premises or any part thereof superior to the lien of this mortgage; that he will keep the buildings now on or which hereafter may be erected on the said premises continuously insured against loss or damage by fire and such other hazards as the mortgagee may from time to time require, in an amount not less than the original principal sum of the note or obligation secured by this mortgage, in a company or companies acceptable to the mortgagee, with loss payable first to the mortgagee and then to the mortgagor as their respective interests may appear; all policies of insurance shall be delivered to the mortgagee as soon as insured. Now if the mortgagor shall fail for any reason to procure any such insurance and to deliver said policies to the mortgagee at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, the mortgagee may procure the same at mortgagor's expense; that he will keep the buildings and improvements on said premises in good repair and will not commit or suffer any waste of said premises. At the request of the mortgagee, the mortgagor shall join with the mortgagee in executing one or more financing statements pursuant to the Uniform Commercial Code, in form satisfactory to the mortgagee, and will pay for filing the same in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the mortgagee.

