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2-18-84-9

VOL. 111 PAGE 5279

L-427 (REV. 8-63)
OREGON

THE MORTGAGOR, FROEMKE MASONRY, INC., an Oregon corporation, now Known as
SECTIONAL HOMES, INC.

mortgages to EQUITABLE SAVINGS & LOAN ASSOCIATION, an Oregon corporation, mortgagee, the following described real estate: The following described real property situate in Klamath County, Oregon. Lots 8 and 9 Block 40 BUENA VISTA ADDITION, to the City of Klamath Falls, Oregon, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.

with the appurtenances, tenements, hereditaments, easements, rents, issues, profits, water rights and other rights or privileges now or hereafter belonging to or used in connection with the above described premises and including but not limited to all plumbing, lighting, heating, cooling, ventilating, cleaning and elevating, gas and electric equipment, water systems and equipment for domestic use or irrigation purposes, window shades, shutters, awnings, window screens, screen doors, mantels, boilers, air conditioning units, oil burners, tanks, shrubbery and trees, now or hereafter attached to, located on or used in connection with said premises, and whether the same be attached to said premises by means of screws, bolts, pipe connections, machinery or in any other manner, together with all interests therein that the mortgagor may hereafter acquire, to secure the payment of \$ 17,500.00, and such additional sums as are evidenced by a certain promissory note of even date herewith signed by the mortgagor and payable at the office of the mortgagee at Portland, Oregon, and interest thereon, in 300 equal monthly payments commencing with November 20, 1971 and the due date of the last such monthly payment shall be the date of maturity of this mortgage; and this mortgage shall secure any and all additional future advances that may hereafter be made.

In addition to the monthly payments of principal and interest payable under the terms of the note secured hereby, the mortgagor will each month pay to the mortgagee until the said note is fully paid a sum equal to the taxes and assessments next due on the mortgaged property (all as estimated by the mortgagee) divided by the number of months to elapse before one month prior to the date when such taxes and assessments will become delinquent, such sums to be held by the mortgagee in trust to pay said taxes and assessments.

The mortgagor covenants that it is the owner in fee simple of said real estate and entitled to possession thereof; that it has the right to mortgage the same; that it is free from encumbrances; that it will keep the same free from all encumbrances, including those of record, whether legal or otherwise; that it will warrant and defend the same forever against all claims and demands whatsoever; that it will pay said note according to the terms thereof; that it will pay all real property taxes and assessments levied or assessed against the premises at least ten days before the due date thereof, or of any installment thereof; that it will not use said property for any unlawful purpose; that it will complete all buildings in course of construction or to be constructed thereon within six (6) months from the date hereof; that it will keep all buildings in good repair and continuously insured against fire and other hazards to the satisfaction of the mortgagee and in a sum not less than \$17,500.00, all policies of insurance with premiums paid and with mortgage clause in favor of the mortgagee attached to be delivered to the mortgagee and to be in companies satisfactory to it and in accordance with the loan application which is hereby referred to, the mortgagee, at its option, to apply any insurance proceeds to the indebtedness hereby secured or to rebuilding or restoring the premises; that it will pay all premiums upon any life insurance policy which may be held by the mortgagee as additional security for the debt herein referred to. Should the mortgagor fail to keep any of the foregoing covenants, then the mortgagee may at its option carry out the same and all its expenditures therefor shall draw interest until repaid at the rate of ten (10) per cent per annum, or the maximum rate of interest permitted by law, whichever is the lesser, be repayable by the mortgagor on demand and shall be secured by this mortgage, and the mortgagee may at its option sue to collect all or any part of the aforementioned expenditures without foreclosing its mortgage and without affecting its right to foreclose its mortgage at any future time; in any such suit mortgagor agrees to pay all costs and a reasonable attorney's fee. Mortgagee shall be the sole judge of the validity of any encumbrances, taxes or assessments against the property. In the event of sale of the above described real property or any part thereof, the mortgagee may without notice to the mortgagor deal with such successor in interest with reference to this mortgage and the note hereby secured, either by forbearance on the part of the mortgagee or extension of the time of the payment of said note or any sum secured by this mortgage without in any way releasing or discharging or in anywise affecting the mortgagor's liability hereunder or for the debt hereby secured. In the event of the sale of the above described mortgaged premises or any part thereof, or alteration, repair, remodeling, addition or removal of any building or buildings now or hereafter upon said premises without first obtaining the written consent of the mortgagee, the balance of unpaid principal with accrued interest, and all other indebtedness hereby secured, shall, at the mortgagee's election, become immediately due, without notice. Mortgagee may impose a reasonable service charge for revising its records to reflect any change of ownership.

The mortgagor consents to a personal deficiency judgment for any part of the debt hereby secured which shall not be paid by the sale of the said property, and in case of foreclosure, expressly waives any claim of homestead and all rights to possession of the premises during the period allowed by law for redemption.

The mortgagor hereby expressly assigns to the mortgagee all rents and revenues from said real property or any improvements thereon and hereby assigns any leases in effect or hereinafter in effect upon said premises or any part thereof,

FORM No. 111

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and in the event of default in any of the provisions of this mortgage and while said default continues, hereby authorizes and empowers the mortgagee, its agents or attorneys, at its election, without notice to the mortgagor, as agent for the owner, to take and maintain full control of said property and improvements thereon; to oust tenants for non-payment of rent; to lease all or any portion thereof, in the name of the owner, on such terms as it may deem best; to make alterations or repairs it may deem advisable and deduct the cost thereof from the rents; to receive all rents and income therefrom and issue receipts therefor; and out of the amount or amounts so received to pay the necessary operating expenses and retain or pay the customary charges for thus managing said property; to pay the mortgagee any amount due upon the debt secured by this mortgage; to pay taxes, assessments and premiums on insurance policies, or renewals thereof, on said property, or amounts necessary to carry out any covenant in this mortgage contained; the mortgagee to determine which items are to be met first; but to pay any overplus so collected to the owner of said property; and those exercising this authority shall be liable to the owner only for the amount collected hereunder and the accounting thereof and as to all other persons those exercising this authority are acting only as agent of the owner in the protection of the mortgagee's interests. In no event is the right to such management and collection of such rents to affect or restrict the right of the mortgagee to foreclose this mortgage in case of default.

Time is material and of the essence hereof, and if default be made in the payment of the debt hereby secured or any installment thereof, or interest, or in the performance of any other covenant herein contained, or if a proceeding under any bankruptcy, receivership or insolvency law be instituted by or against the mortgagor, or if the mortgagor makes an assignment for the benefit of creditors, then in such or any of said cases, the balance of unpaid principal with accrued interest, and all other indebtedness hereby secured, shall, at the mortgagee's election, become immediately due, without notice, and this mortgage may be foreclosed; and in addition, mortgagee may apply such sums or any part thereof held by it in trust to pay taxes or assessments to reduce the indebtedness secured. Mortgagee's failure to exercise, or waiver of, any right or option or its waiver of any default shall not be deemed a waiver of any future right, option or default.

In any suit to foreclose this mortgage or in any suit or proceedings in which the mortgagee is obliged to defend or protect the lien hereof, or in which the mortgagee is a party and the above described real property or any part thereof is the subject matter thereof, including suits to quiet title or for condemnation or partition of the whole or part of said property, or any interest therein, the mortgagor agrees to pay to mortgagee all costs and a reasonable sum as attorney's fees, which said fees shall be due and payable when suit is begun, and further agrees to pay such reasonable costs of searching records and abstracting the same as may necessarily be incurred in foreclosing this mortgage or defending the same, or participating in any suit or proceeding above referred to, which sums shall be secured hereby and included in any decree of foreclosure. In the absence of any such suit or proceeding, and in case of default, mortgagor agrees to pay such necessary expenses, including reasonable attorneys' fees, incurred by mortgagee in making collection of delinquent payments or curing any other default.

Mortgagor further agrees that a receiver may be appointed in any suit or proceeding to foreclose this mortgage without notice to mortgagor and without regard to the adequacy of the security for the indebtedness or the solvency of the mortgagor or the presence of waste or danger of loss or destruction of the property, to possess, manage and control the real property above described and all buildings thereon and to collect the rents, issues and profits thereof.

The mortgagor agrees to furnish and leave with the said mortgagee during the existence of this mortgage and all renewals hereof, complete title evidence, which shall become the property of the purchaser at any foreclosure sale, and further agrees that said mortgagee shall be subrogated to the lien, though released of record, of any prior encumbrances on the said premises paid out of the proceeds of this loan.

Each of the covenants or agreements herein shall be binding upon all successors in interest of the mortgagor, and shall inure to the benefit of all successors in interest of the mortgagee.

IN WITNESS WHEREOF, the mortgagor has caused this mortgage to be signed by its President and attested by its Secretary and its seal to be affixed this 18th day of May A.D. 1971, pursuant to a resolution of its Board of Directors heretofore duly passed.

FROEMKE MASONRY, INC., an Oregon Corporation

by Gary B. Froemke President.

Attest: Dennis W. Froemke Secretary.

STATE OREGON
County of Klamath

On this 26 day of May, 1971, before me, a Notary Public in and for said county and state, appeared GARY BERNARD FROEMKE and DENNIS W. FROEMKE both to me personally known, who, being duly sworn, did say that he, the said GARY BERNARD FROEMKE is the President, and he, the said DENNIS W. FROEMKE is the Secretary of FROEMKE MASONRY, INC., an Oregon corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said GARY BERNARD FROEMKE and DENNIS W. FROEMKE acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first in this, my certificate written.

Ronald E. Walter
Notary Public for Oregon

My Commission Expires 7/1/72

LOAN NO. 2-18-844-9

MORTGAGE

FROEMKE MASONRY, INC.,
TO
EQUITABLE SAVINGS & LOAN ASSOCIATION

STATE OF _____
County of _____

Filed for record at request of mortgagee on

June 2, 1971

at 45 minutes past 3:00 o'clock P.M.

and recorded in Vol. 5279 of Mortgages,

page 5279. Records of said county.

Wm. D. Milne

County Recorder.

Deputy.

Fee \$3.00

After recording please mail to

EQUITABLE SAVINGS
A unit of GAC Corporation

1300 S.W. Sixth Avenue
Portland, Oregon 97201

hereinafter call
to THE FEDE
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County of _____

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FORM No. 55
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Raymond