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MORTGAGE TO SECURE CONSTRUCTION LOAN 9596

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MORTGAGE made June 23, 1976, by and between Robert E. Hall & Peggy Hall Husband & Wife, herein referred to as Mortgagor, and SECURITY SAVINGS AND LOAN ASSOCIATION, an Oregon Corporation, at Klamath Falls, Oregon, hereinafter referred to as Mortgagee,

MORTGAGOR, in consideration of THIRTY THREE THOUSAND SIX HUNDRED DOLLARS AND NO/100-- Dollars ($ 33,600.00) paid to Robert E. Hall and Peggy Hall, hereby mortgages all of the following described property situated in County of Klamath, State of Oregon, to wit:

Lot 1 in Block 16 of Tract No. 1112, Eighth Addition to Sunset Village, Klamath County, Oregon.

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Together with and including all buildings and other improvements thereon or that may be hereafter erected thereon, all easements, rights and appurtenances thereunto belonging or appertaining, and the reversions, remainders, rents, issues, and profits thereof. And also all fixtures and personal property on or used in connection with such improvements, or hereafter placed on or used in connection therewith, including but not limited to the following: all heating, refrigerating, ventilating, air conditioning, sprinkling and vacuum cleaning plants and systems; all water and power systems; all plumbing and lighting fixtures; all incinerators, shades, screens, awnings and storm windows; and all plants, trees, and shrubs of every kind now growing, or hereafter planted on the premises.

This mortgage is given to secure the payment of INTEREST ONLY Dollars ($______) with interest at 8 3/4 per cent (8 3/4 %) per annum from the date hereof, interest payable in monthly installments on the FIRST day of each and every month hereafter, with the principal balance and interest due and to be paid on or before December 1, 1977. This mortgage is made pursuant to a certain Construction Agreement between the mortgagor and mortgagee dated June 23, 1976, and is subject to all provisions of such Construction Agreement as if they were fully set forth herein and made a part of this mortgage.

Mortgagor covenants with mortgagee as follows:

1. Mortgagor will pay the indebtedness as herein provided. Privilege is reserved to prepay at any time without premium or fee.

2. Mortgagor will, during the life of this mortgage and until the obligation secured hereby shall be fully paid and satisfied, keep the buildings now on, or hereafter erected on, the premises insured against loss or damage by fire and other hazards commonly known as Extended Coverage Risks, to an amount to be approved by the mortgagee, not exceeding the full insurable value of the buildings, in a company or companies to be approved by mortgagee; and will assign and deliver the policies of insurance to mortgagee, or its assigns, with standard and dustomary loss-payable clauses in the

tgagee indorsed thereon, and mortgagee shall hold such
collateral and further security for the payment of the
secured by this mortgage; and in default of doing so on
mortgagor, then morgagee may obtain such insurance and
me as hereinabove provided, and mortgagor will repay to
ll premiums so paid by mortgagee, with interest from the
ment by mortgagee, on demand; all premiums so paid by
hall be secured by this mortgage and shall be collectible
manner as the principal indebtedness; and should the
he mortgage by reason of such insurance against loss by
her risk insured against receive any sum of money for damage
, such amount may be retained and applied by the holder of
ge toward payment of the debt secured by the mortgage, or
ay be paid over either wholly or in part to mortgagor for
of the buildings or for the erection of new buildings in
e, or for any other purpose or object satisfactory to the
the mortgage; and if mortgagee receives and retains insur-
for damage to buildings, the lien of the mortgagee shall
d only by a reduction thereof by the amount of such insur-
so retained by mortgagee.

building on the premises shall be removed, substantially
or demolished without the consent of mortgagee; and to com-
buildings in course of construction or hereafter constructed
ithin six months from the date hereof or the date construc-
ereafter commenced. All buildings now or hereafter situated
emises shall be maintained by the mortgagor in good and sub-
repair. Mortgagor shall not commit or suffer waste on the
and in the event of such waste mortgagee, in addition to
available remedy, shall be entitled immediately to restrain
by injunction or other appropriate proceeding.

Mortgagor will pay all taxes, assessments, water rents, sewer
charges, and other governmental or municipal charges and rates
imposed, or charged against the premises before the delinquent
reof; and in default in any such payment on the part of the
r, mortgagee may pay the same, and all such payments shall be
the obligation secured by this mortgage and shall bear inter-
he same rate as the principal sum secured hereby until repaid
agor.

Mortgagor, within ten (10) days after request of mortgagee
n or by mail, will furnish to mortgagee or other person, firm
ration designated by mortgagee, a duly acknowledged written
t of the amount due on the mortgage and whether any off-sets
ses exist against the mortgage debt.

The whole of the principal sum and interest shall become due
ption of the mortgagee under any of the following conditions:
efault in the payment of any principal or interest, or any in-
nt thereof, as provided in such note for ten (10) days; after
in the payment of any tax, assessment, water rent, sewer ser-
arge, or other governmental or municipal charge or rate levied
ged against the mortgaged premises, for ten (10) days after
and demand from mortgagee; after default after notice and de-
rom mortgagee either in assigning and delivering the insurance
s insuring the building against loss, or in reimbursing mort-
or premiums paid on such insurance, as herein provided; or
default on request of mortgagee in furnishing a statement of
ount due on the mortgage and whether any off-sets or defenses
against the mortgaged debt, as hereinabove provided.

Mortgagor hereby warrants the title to the premises and
nts with mortgagee that the mortgagor is the true and lawful
of the premises and is well seized of the same in fee simple
s good right and full power to grant and mortgage same, and
he premises are free and clear of all encumbrances, excepting
estrictions and easements of record, taxes and assessments not
e or delinquent, and such other matters as are hereinabove
ing the legal description of the premises expressly set forth;

and mortgagor fu
same against al
provided.

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13. If
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or (3) is t
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rther covenants that he will warrant and defend the
lawful claims of all persons except as hereinabove

of a foreclosure sale, the premises, or so much there-
fected by this mortgage, may be sold in one parcel.

or hereby assigns to mortgagee the rents, issues and
premises as further security for the payment of the
red hereby, and grants to mortgagee the right to enter
r the purpose of collecting the same, and to let the
part thereof, and to apply the monies received there-
ment of all necessary charges and expenses, to the
ured hereby, and grants to mortgagee the right to enter
r the purpose of collecting the same, and to let the
part thereof, and to apply the monies received there-
ment of all necessary charges and expenses, to the
cured by this mortgage, on default under any of the
litions, or agreements contained herein. Mortgagor
es and agrees, in the event of any such default, to pay
or any receiver appointed to collect the rents, issues,
the premises, a fair and reasonable occupational rent
d occupation of the same or of such part thereof as may
ession of mortgagor; and on default in payment of such
te and surrender possession of the premises, or that
f occupied by mortgagor, to mortgagee or the receiver
pointed.

e event any action or proceeding is commenced, except
oreclose this mortgage or to collect the obligation
, in which it becomes necessary to defend or assert the
ortgage, whether or not mortgagee is made or becomes a
action or proceeding, all expenses of mortgagee incurred
ction or proceeding to prosecute or defend the rights
ed by this mortgage, including reasonable attorneys fees,
by the mortgagor, and if not so paid promptly on request,
d to the debt secured hereby and become a lien on the
mises, and shall be deemed to be fully secured by this
be prior and paramount to any right, title, interest or
premises accruing or attaching subsequent to the lien of
, and shall bear interest at the rate provided for the
cured hereby. This covenant shall not govern or effect
proceeding to foreclose this mortgage or to recover or
e debt secured hereby, which action or proceeding shall
y the provisions of law and of court respecting the re-
ts, disbursements, and allowances in foreclosure suits.

holder of this mortgage, in any action or proceeding to
, shall be entitled to the appointment of a receiver.

the premises or any part thereof shall be condemned and
the power of eminent domain, or if any award for any change
streets affecting the premises shall be made, all damages
or the property so taken or damaged shall be paid to the
is mortgage, to the amount then unpaid on the indebtedness
ed, without regard to whether or not the balance remaining
e indebtedness may then be due and payable; and the amount
l be credited against the indebtedness and, if sufficient
ntire amount thereof, may, at the option of the holder, be
he last maturing installments, and the balance of such
awards, if any, shall be paid to mortgagor. The holder
tgage is hereby given full power, right and authority to
receipt for any and all such damages and awards.

mortgagor or any obligor on the note secured hereby:
voluntary petition in bankruptcy under the Bankruptcy Act
ed States, or (2) is adjudicated a bankrupt under said Act,
he subject of a petition filed in federal or state court
ointment of a trustee or receiver in bankruptcy or insol-
ointment of a trustee or receiver in bankruptcy or insol-
4) makes a general assignment for the benefit of creditors

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