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21796 **THE MORTGAGOR** M **18378**

Vol. 76 Page

M. RUTH NOVAK and JOHN J. NOVAK and PAUL M. NOVAK

hereby mortgage to FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION of Klamath Falls, a Federal Corporation, hereinafter called "Mortgagee," the following described real property, situtated in Klamath County, State of Oregon, and all interest or estate therein that the mortgagor may hereafter acquire, together with the income, rents and profits thereof, towit:

Commencing at the section corner marking the Northwest corner of Section 3, Township 39 South, Range 9 East of the Willamette Meridian and running thence South 0° 00¼' East along the Westerly boundary of said Section 3, 826.8 feet more or less to its intersection with a line parallel to and 75.0 feet distant at right angles Northeasterly from the center line of the Dalles-California Highway, also known as South Sixth Street, as the same is now located and constructed; thence South 55° 52½' East along said parallel line 1216.2 feet to the true point of beginning of this description; thence South 55° 52½' East along said parallel line 50 feet; thence North 34° 07½' East 175 feet; thence North 55° 52½' West 50 feet thence South 34° 07½' West 175.0 feet to the said true point of beginning, being a portion of Tract #33A, ENTERPRISE TRACTS, together with any interest in party wall agreement described in Bargain & Sale Deed wherein Swan Lake Moulding Company is grantor and M. Ruth Novak grantee, recorded November 18, 1976 in volume 76, page 18376 deed records, Klamath County, Oregon. (see reverse side)

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together with all heating apparatus (including firing units), lighting, plumbing, water heater, venetian blinds, and other fixtures which now are or hereafter may be attached to or used in connection with said premises and which shall be construed as part of the realty, to secure the payment of a certain promissory note executed by the above named mortgagors for the principal sum of

ONE HUNDRED EIGHTY THREE THOUSAND FIVE HUNDRED DOLLARS AND NO/100-------

Dollars, bearing even date, principal, and interest being payable in monthly installments of $1,635.00 on or before the 10th of each month and the principal balance, plus interest due in full April 10, 1997 commencing May 10 1977

and to secure the payment of such additional money, if any, as may be loaned hereafter by the mortgagee to the mortgagor or others having an interest in the above described property as may be evidenced by a note or notes. If the mortgage indebtedness is evidenced by more than one note, the mortgagee may credit payments received by it upon any of said notes, or part of any payment on one note and part on another, as the mortgagee may elect.

The mortgagor covenants that he will keep the buildings now or hereafter erected on said mortgaged property continuously insured against loss by fire or other hazards, in such companies as the mortgagee may direct, in an amount not less than the face of this mortgage, with loss payable first to the mortgagee to the full amount of said indebtedness and then to the mortgagor; all policies to be held by the mortgagee. The mortgagor hereby assigns to the mortgagee all right in all policies of insurance carried upon said property and in case of loss or damage to the property insured, the mortgagor hereby appoints the mortgagee as his agent to settle and adjust such loss or damage and apply the proceeds, or so much thereof as may be necessary, in payment of said indebtedness. In the event of foreclosure all right of the mortgagor in all policies then in force shall pass to the mortgagee thereby giving said mortgagee the right to assign and transfer said policies.

The mortgagor further covenants that the building or buildings now on or hereafter erected upon said premises shall be kept in good repair, not altered, extended, removed or demolished without the written consent of the mortgagee, and to complete all buildings in course of construction or hereafter constructed thereon within six months from the date hereof or the date construction is hereafter commenced. The mortgagor agrees to pay, when due, all taxes, assessments, and charges of every kind levied or assessed against said premises, or upon this mortgage or the note and-or the indebtedness which it secures or any transactions in connection therewith or any other lien which may be adjudged to be prior to the lien of this mortgage or which becomes a prior lien by operation of law; and to pay premiums on any life insurance policy which may be assigned as further security to mortgagee; that for the purpose of providing regularly for the prompt payment of all taxes, assessments and governmental charges levied or assessed against the mortgaged property and insurance premiums while any part of the indebtedness secured hereby remains unpaid, mortgagor will pay to the mortgagee on the date installments on principal and interest are payable an amount equal to 1/12 of said yearly charges. No interest shall be paid mortgagor on said amount, and said amounts are hereby pledged to mortgagee as additional security for the payment of this mortgage and the note hereby secured.

Should the mortgagor fail to keep any of the foregoing covenants, then the mortgagee may perform them, without waiving any other right or remedy herein given for any such breach; and all expenditures in that behalf shall be secured by this mortgage and shall bear interest in accordance with the terms of a certain promissory note of even date herewith and be repayable by the mortgagor on demand.

In case of default in the payment of any installment of said debt, or of a breach of any of the covenants herein or contained in the application for loan executed by the mortgagor, then the entire debt hereby secured shall, at the mortgagee's option, become immediately due without notice, and this mortgage may be foreclosed.

The mortgagor shall pay the mortgagee a reasonable sum as attorneys fees in any suit which the mortgagee defends or prosecutes to protect the lien hereof or to foreclose this mortgage; and shall pay the costs and disbursements allowed by law and shall pay the cost of searching records and abstracting same; which sums shall be secured hereby and may be included in the decree of foreclosure. Upon bringing action to foreclose this mortgage or at any time while such proceeding is pending, the mortgagee, without notice, may apply for and secure the appointment of a receiver for the mortgaged property or any part thereof and the income, rents and profits therefrom.

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 said property.

Words used in this mortgage in the present tense shall include the future tense; and in the masculine shall include the feminine and neuter genders; and in the singular shall include the plural; and in the plural shall include the singular.

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

Dated at Klamath Falls, Oregon, this 9th day of November, 1976

M. Ruth Novak (SEAL)

John J. Novak (SEAL)

Paul M. Novak

STATE OF OREGON }
County of Klamath } ss

THIS CERTIFIES, that on this 9th day of November A. D., 1976, before me, the undersigned, a Notary Public for said state personally appeared the within named

M. RUTH NOVAK and JOHN J. NOVAK and PAUL M. NOVAK

to me known to be the identical person(s) described in and who executed the within instrument and acknowledged to me that they executed the same freely and voluntarily for the purposes therein expressed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

Robert A. Fischer

Notary Public for the State of Oregon
Residing at Klamath Falls, Oregon.
My commission expires: 10-13-78

Also together with interest in lease for following described real property wherein Swan Lake Moulding Company is lessor and M. Ruth Novak, John J. Novak and Paul M. Novak are lessees dated ~~October~~ November 10, 1976, a memorandum of which is recorded in volume M 76, page 18377, deed records of Klamath County, Oregon. (see attached description)

A tract of land situated in the SW¼ of the NW¼ of Section 3, Twp. 39 S., R. 9, E.W.M., more particularly described as follows:

Commencing at the Northwest corner of said Section 3; thence South 00° 00½' East along the Westerly boundary of said Section 3, 826.8 feet, more or less, to its intersection with a line parallel with and 75.0 feet distant from, at right angles Northeasterly from the center line of the Klamath Falls-Lakeview Highway, also known as South Sixth Street as the same is now located and constructed, said parallel line being the Northerly right of way line of said Highway; thence South 55°52½' East along said right of way line 1266.2 feet, more or less, to an iron peg marking the true beginning point of this description, from which a cross chiseled in the concrete sidewalk for a witness mark by the Oregon State Highway Commission on July 15, 1947, bears South 34°07½' West 10.0 feet, said beginning point also marks the boundary between the lands of M. Ruth Novak and Swan Lake Moulding Company; thence from said true beginning point North 34°07½' East at right angles to South Sixth Street 175.0 feet to an iron pipe set in the Southwesterly boundary of the County Road known as Pershing Way; thence South 55°52½' East 50.0 feet along the said Southwesterly boundary - to an iron pin marking the boundary between the former M. Ruth Novak lands and the lands of the First Federal Savings and Loan Association of Klamath Falls; thence South 34°07½' West along said boundary 175.0 feet to the Northerly right of way line of South Sixth Street from which the cross chiseled in the concrete sidewalk for witness mark by the O.S.H.C. bears South 34°07½' West 10.0 feet; thence North 55°52½' West 50.0 feet to the true place of beginning, containing .2 acres, more or less, of land in Klamath County, Oregon.

18379

MORTGAGE

Mortgagors

—To—

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF KLAMATH FALLS
Klamath Falls, Oregon Mortgagee

STATE OF OREGON } ss
County of Klamath

Filed for record at the request of mortgagee on NOVEMBER 18th 1976 at 21 minutes past 12:00 o'clock P M. and recorded in Vol. M 76 of Mortgages, page 18378 Records of said County.

WM. D. MILNE County Clerk.

By Hazel Drazil Deputy.

FEE $ 6.00

Mail to
FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF KLAMATH FALLS
Klamath Falls, Oregon.
540 Main
KD