Mortgagor covenants with mortgagee as follows:

e Motiganorwill pay the indebicdness as berein provided. Privilege is reserved to propay at

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O. This mortgage is given to secure the payment of TWENTY NINE THOUSAND EIGHT HUNDRED AND NO/100 Doc Dollars (\$ 29,800,00 () with interest at EIGHT & per cent. the instantion day of each and every month hereafter, with the principal balance and interest due and to be paid on or before murApril 11 mur /19, 80; This mortgage is made pursuant to a certainp: Construction; Magreement :: (between to the mortgagor and mortgagee dated october, 17,000,000; 19,001,78, 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.

spelicies as collared and further shearly for the parament of the colligation secured by this more

100 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, wentilating; 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, a character and and and a solution of the state of the state of the state of sossi and in delanit of dolar so on the part of successive then more than the short of the

surance mount so miamed by morigane. han of the prospecce shall be affected only by a reduction factoof by the antonic of each inmericago, and it motimates receives and relative measure more, for canade to buildings, the

Lot 19, Block 3, Tract No. 1065, IRISH BEND, in the County of Klamath State of Oregon. avegapic reveat aveg poregimed immediately in restance of minoreneous offer abwash on the prefaces, and in the overt of such waste invitances, in addition to any other tenned by the mothregor in good and substantial repair. Morreagon shall not commit or suffer bereafter commenced. All buildings now or hereafter situated on the premises shall be mainbereafter constructed thereou within six months from the date nervel or the date construction is whiten the renteer of rearrances and to establish an buildings in course of construction of 3. No building an the premier chall be removed subtractially althred, or demolished

MORTGAGOR, in consideration of TWENTY NINE THOUSAND EIGHT HUNDRED AND NO/100 Dollars (\$ 29,800:00 ) paid to TED EMARD AND DOROTHY L. EMARD, Husband and. Wife and wife because the hereby mortgages all of the following described property situated in a County of the neuron Klamathe Inc. 69 State of Oregon, to wit: 2007 Automatic and the second state of the second goveroniental or numbrigal disruges and rates levied, umposed, or charged against the premises L. Mortzagor will pay all taxes, assessments, water rentr, some service thurses, and ether

WTED EMARD AND DOROTHY T. FMARD, Husband and Wife herein referred to as Mortgagor, and SECURITY SAVINGS AND LOAN ASSOCIATION, an Oregon Corporation, at Klamath Falls, Oregon, hereinafter referred to as Mortgagee.

on reduced 222 "Southe 6th Street" a statement of the sucon 289333unt moetreseet for promume paid-on such mentance, as herein provided, or after determ CONSTRUCTION LOAN municipal charge of rate levied or charged against through an or the rate of the transformer and payment of any taxt assessment, water rent sower service charge of other governmental of teerst, or any installment thereof, as provided in such note for ter (10) doint after derauft in the reace judge any of the following conditions: after the fault in the payment of any principal or the MORTGAGE made Doctober 1714 19 78, by and between THEODORE N. EMARD, aka

Loan # 0-901112-3, TA 38-16632 Return to: "Security' Savings and Loan Association Vol. 78" Page" 26662

Loan # 0-901112-3, TA 38-16632

26. The whole of the principal sum and interest shall become due at the option of the mortgagee under any of the following conditions: after default in the payment of any principal or interest, or any installment thereof, as provided in such note for ten (10) days; after default in the payment of any tax, assessment, water rent, sewer service charge, or other governmental or municipal charge or rate levied or charged against the mortgaged premises, for ten (10) days after notice and demand from mortgagee; after default after notice and demand from mortgagee either in assigning and delivering the insurance policies insuring the building against loss, or in reimbursing mortgagee for premiums paid on such insurance, as herein provided; or after default on request of mortgagee in furnishing a statement of the amount due on the mortgage and whether any off-sets or defenses exist against the mortgaged debt, as hereinabove provided. Posit w U-ngr (75-3

Montgagor, within ten (10) days after request of mortgagee in person or by mail, will furnish to mortgagee or other person, firm or corporation designated by mortgagee, a duly acknowledged written statement of the amount due on the mortgage and whether any off-sets or

4. Mortgagor will pay all taxes, assessments, water rents, sewer service charges, and other governmental or municipal charges and rates levied, imposed, or charged against the premises before the delinquent date thereof; and in default in any such payment on the part of the mortgagor, mortgagee may pay the same and all such payments shall be added to the obligation secured by this mortgage and shall bear, interest at the same rate as the principal sum secured

3. No building on the premises shall be removed, substantially altered, or demolished without the consent of 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. All buildings now or hereafter situated on the premises shall be maintained by the mortgagor in good and substantial repair. Mortgagor shall not commit or suffer waste on the premises, and in the event of such waste mortgagee, in addition to any other available remedy, shall be entitled immediately to restrain the same by injunction or other ap-IZEC (0: IDEC ISICE WHEN

sinsured, 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, intaccompany or companies to be approved by mortgagee; and will assign and deliver the policies of insurance to mortgagee, or its assigns, with standard and customary loss payable clauses in the name of mortgagee indorsed thereon, and mortgagee shall hold such policies as collateral and further security for the payment of the obligation secured by this mortgage; and in default of doing so on the part of mortgagor, then mortgagee may obtain such insurance and hold the same as hereinabove provided, and mortgagor will repay to mortgagee all premiums so paid by mortgagee, with interest from the time of payment by mortgagee, on demand; all premiums so paid by mortgagee shall be secured by this mortgage and shall be collectible in the same manner as the principal indebtedness; and should the holder of the mortogage by reason of such insurance against loss by fire or other risk insured against receive any sum of money for damage thereunder, such amount may be retained and applied by the holder of the mortgage toward payment of the debt secured by the mortgage, or the same may be paid over either wholly or in part to mortgagor for the repair of the buildings or for the erection of new buildings in their place, or for any other purpose or object satisfactory to the holder of the mortgage; and if mortgagee receives and retains insurance money for damage to buildings, the lien of the mortgagee shall be affected only by a reduction thereof by the amount of such in-

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 cshall be fully paid and satisfied, keep the buildings now on, or hereafter erected on, the premises

Mortgagor covenants with mortgagee as follows:

26663



7. Mortgagor hereby warrants the title to the premises and covenants with mortgagee that the mortgagor is the true and lawful owner of the premises and is well seized of the same in fee simple and has good right and full power to grant and mortgage same, and that the premises are free and clear of all encumbrances, excepting only restrictions and easements of record, taxes and assessments not yet due or delinquent, and such other matters as are hereinabove following the legal description of the premises expressly set forth; and mortgagor further covenants that he will warrant and defend the same against all lawful claims of all persons except as hereinabove provided.

8. In case of a foreclosure sale, the premises, or so much thereof as may be affected by this mortgage, may be sold in one parcel.

9. Mortgagor hereby assigns to mortgagee the rents, issues and profits of the premises as further security for the payment of the obligation secured hereby, and grants to mortgagee the right to enter the premises for the purpose of collecting the same, and to let the premises or any part thereof, and to apply the monies received therefrom, after payment of all necessary charges and expenses, to the obligations secured hereby, and grants to mortgagee the right to enter the premises for the purpose of collecting the same, and to let the premises or any part thereof, and to apply the monies received therefrom, after payment of all necessary charges and expenses, to the obligations secured by this mortgage, on default under any of the covenants, conditions, or agreements contained herein. Mortgagor further promises and agrees, in the event of any such default, to pay to mortgagee, or any receiver appointed to collect the rents, issues, and profits of the premises, a fair and reasonable occupational rent for the use and occupation of the same or of such part thereof as may be in the possession of mortgagor; and on default in payment of such rental to vacate and surrender possession of the premises, or that portion thereof occupied by mortgagor, to mortgagee or the receiver theretofore appointed.

10. In the event any action or proceeding is commenced, except an action to foreclose this mortgage or to collect the obligation secured hereby, in which it becomes necessary to defend or assert the lien of this mortgage, whether or not mortgagee is made or becomes a party to such action or proceeding, all expenses of mortgagee incurred in any such action or proceeding to prosecute or defend the rights and lien created by this mortgage, including reasonable attorneys fees, shall be paid by the mortgagor, and if not so paid promptly on request, shall be added to the debt secured hereby and become a lien on the mortgaged premises, and shall be deemed to be fully secured by this mortgage and be prior and paramount to any right, title, interest or claim on the premises accruing or attaching subsequent to the lien of this mortgage, and shall bear interest at the rate provided for the obligation secured hereby. This covenant shall not govern or effect any action or proceeding to foreclose this mortgage or to recover or to collect the debt secured hereby, which action or proceeding shall be governed by the provisions of law and of court respecting the recovery of costs, disbursements, and allowances in foreclosure suits. and the

11. The holder of this mortgage, in any action or proceeding to foreclose it, shall be entitled be appointment of a receiver. to the appointment of a receiver. object 12. If the premises or any part thereof shall be condemned, and taken under the power of eminent domain, or if any award for any change of grade of streets affecting the premises shall be made, all damages and awards for the property so taken or damaged shall be paid to the holder of this mortgage, to the amount then unpaid on the indebtedness hereby secured, without regard to whether or not the balance remaining unpaid on the indebtedness may then be due and payable; and the amount so paid shall be credited against the indebtedness and, if sufficient to pay the entire amount thereof, may, at the option of the holder, be applied to the last maturing installments, and the balance of such damages and awards, if any, shall be paid to mortgagor. The holder of this mortgage is hereby given full power, right and authority to recieve and receipt

efor any and all such damages and awards. 13] If mortgagor or any obligor on the note secured hereby: (1) files a voluntary petition in bankruptcy under the Bankruptcy Act of the United States, or (2) is adjudicated a bankrupt under said Act, or (3) is the subject of a petition filed in federal or state court for the appointment

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| THIS CERTIFICATION PROVIDENT                                      | togor Highor bunnings one set   |
|---|---|
| 19 <u>78</u> , before me, the understand                          | day of <u>October</u> , A.D.,<br>a Notary Public for said state appeared the within named   |
| TED EMARD AND DOROTHY T. EM<br>to me known to be the same identic | , a Notary Public for said state appeared the with A.D.,  |
| instrument and sel  | al person s and wife  |
| for the purposes therein expressed.                               | A PD, Husband and Wife<br>al person <u>s</u> described in and who executed the within<br>that <u>they</u> executed the same freely and voluntarily<br>the optimized for the same freely and voluntarily |
| o. Morgagor heroby tasigne bi                                     | HOLDER AND RECEIPTING TO THE PROPERTY AND A CONTINUE OF THE   |
| mortgage, may be sold in one parted                               | Vickie J. HARGZEAVES  |
| transident.   | VICKIE J. HARGZEAVES<br>Notary PUBLIC KOR OREGON<br>My Commission Expires   |
|   | My Commission Expires 10/2/1  |
|   | LAMATH: ss  |
| I hereby certify that the within the                              |   |
| November A.D., 19 78 at 3:35                                      | cite was received and filed for record on the 27th day of   |
| of <u>Mortgages</u> on Pag  | s_26662   |
| FEE_ <u>\$12.00</u>   | WM D MUNIC O  |
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STATE OF OREGONICE DE que teneros que conque sobientem County of Klamathur, and barges, here sees not of the presumeet of this breaking, or and it but i thereof as what pe in the transmission of most subort and on the land to the most of such a the predicts, s fair and reasonable eccupational reot for the two and second strain of the same of default, to pay to monthlifee, or any receiver appointed to sollow the soll stores and brokle of Shieumari contaning pering provingent the pering survey of the sector of the sector of the sector of the sector

con IN.WITNESS WHEREOF othis mortgage has been executed at Klamath Falls, Oregon the day and year first above written at Broccoquir spall pe sussing provine broughous of side up of affort any action of protection to foreclose this morning of remover of to cultoke the detrilerest at the rate provided for the oplication security ar 0 2 on the premises account or attaching subsequing a sector In Cipin consuma Davail na conservatione Filly second by this moticate and he follow TED EMARD II aka Tiffed DORE N. EMARD Hand the debt scoured negative and become a tien on the monthaged, these lees, mult be paid by the nonepeor, such if K And shall be defined to be prosecute or deleased the rights and hear creation. non or cocceding, all expenses of marger DOROTHX a remard (Seal) of on on or or contention to greer, the ben of this mortgage, whether ar cor multisline is made or becomes a party di such acmoreaux or to collect the obligation secured hereby, in valuely it becomes are to kidend or 10. In the event any action or proceeding as commenced, except an action to forences this

to the amount during appaul on the indebtedber horse The word "mortgagor" shall be construed as if it read "mortgagors" and the word "holder" shall, include, any payee, of indebtedness hereby secured or, any transferce thereof whether by operation of law or otherwise. The words "mortgagor" and "mortgagee" shall be construed to include their respective heirs, executors, administrators, personal representatives, successors, and assigns, and all covenants herein set forth shall bind and inure to the benefit of the same.

14. Mortgagor will comply with all statutes, ordinances, and governmental requirements affecting the premises, and if mortgagor neglects, or refuses to so comply and such failure or refusal continues for a period of thirty (30) days, then, at the option of the mortgagee, the entire balance of the principal sum secured hereby, together with all accrued interest, will immediately

of a trustee or receiver in bankruptcy or insolvency, or (4) makes a general assignment for the benefit of creditors then and on the occurence of any of such conditions, at the option of the mortgagee, the entire balance of the principal sum secured hereby, together with all accrued interest, shall immediately become due and payable.

