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MORTGAGE

1 THIS MORTGAGE, Made this 18th day of October, 1982, by DONALD JAMES  
2 LEGGET and ELIDA LEGGET, Mortgagors, to AMBROSE McAULIFFE, Mortgagee,

3 WITNESSETH, That said Mortgagors, for valuable consideration, receipt  
4 of which is hereby acknowledged, do hereby grant, bargain, sell and convey  
5 unto said Mortgagee, his heirs, executors, administrators and assigns, that  
6 certain real property situated in Klamath County, State of Oregon, described  
7 as follows, to-wit:

8 Lot 38 in Perry's Addition to Lloyd's Tracts, Klamath  
9 County, Oregon;

10 Subject to: Reservations, restrictions, regulations,  
11 easements and rights of way of record and those apparent  
12 on the land; and also subject to that certain existing  
13 and recorded Mortgage and Note in favor of the State of  
14 Oregon, acting by and through the Director of the Depart-  
15 ment of Veterans' Affairs;

16 Together with all and singular the tenements, hereditaments, and ap-  
17 purtenances thereunto belonging or in anywise appertaining, and which may  
18 hereafter thereto belong or appertain, and the rents, issues and profits there-  
19 from, and any and all fixtures upon said premises at the time of the execution  
20 of this Mortgage or at any time during the term of this Mortgage.

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

23 This Mortgage is given to secure the performance of Mortgagors' obli-  
24 gations as Contractor under the terms and conditions of that certain Construc-  
25 tion Agreement dated October 23, 1981, which was amended by that certain  
26 Modification of Construction Agreement - Security Agreement dated and executed  
27 October 18, 1982; together with payment of any sums advanced, incurred, or  
28 paid by Mortgagee, to, for, or on account of Mortgagors as provided hereunder.

29 Mortgagors covenant to and with the Mortgagee, his heirs, executors,  
30 and assigns, that they are lawfully seized in fee simple of said premises and  
31 have a valid, unencumbered title thereto, except as set forth in the description  
32 above, and that they will warrant and forever defend the same against all  
33 persons; that they will perform all obligations according to the terms of the  
34 Construction Agreement and Modification thereto; that they shall pay regularly  
35 and seasonably, and before the same shall become delinquent, all taxes, assess-  
36 ments, and charges of whatever nature levied and assessed against the mort-  
37 gaged property, or any part thereof, that they shall keep buildings and im-  
38 provements now on, or hereafter placed upon, the above described real property  
39 insured against loss by fire or other casualty in an amount not less than  
40 maximum insurable value and shall obtain, at their own expense, an insurance  
41 endorsement thereon providing for loss payable to Mortgagee and Mortgagors as  
42 their respective interests may appear. The policy or policies of insurance  
43 shall be delivered to Mortgagee, or in lieu thereof, a certificate of such  
44 insurance may be provided by Mortgagors and delivered to Mortgagee.

45 If Mortgagors fail to pay or discharge any taxes, assessments, liens,  
46 encumbrances, or charges to be paid by Mortgagors as provided in this Mortgage,  
47 Mortgagee, at his option and without waiver of default or breach of Mortgagors,  
48 may pay or discharge all or any part thereof.

49 In the event of any suit or action being instituted to foreclose this  
50 Mortgage, the Mortgagors agree to pay all reasonable costs incurred by Mort-  
51 gagee, including, without limitation, the costs of title reports and title  
52 searches, all statutory costs and disbursements, and such further sums as the  
53 trial court may adjudge reasonable as Mortgagee's attorney's fees in such suit

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1 or action; and if appeal is taken from any judgment and decree entered therein,  
2 Mortgagors further promise to pay such sums as the appellate court shall  
3 adjudge reasonable as Mortgagee's attorney's fees on such appeal; all such  
4 sums to be secured by the lien of the Mortgage and included in the decree of  
5 foreclosure.

6 Failure by Mortgagors to perform the covenants and promises contained  
7 in the said Construction Agreement and Modification thereof shall constitute  
8 a default of this Mortgage. Failure to perform any of the Mortgagors' obli-  
9 gations under this Mortgage shall constitute a default of this Mortgage.

10 In the event of default of this Mortgage, Mortgagee may at once proceed  
11 to foreclose this Mortgage for the amount due or coming due or amount of actual  
12 loss pursuant to the terms of the said Modification of Construction Agreement,  
13 together with Mortgagee's costs incurred in foreclosing this Mortgage.

14 Time and strict performance are deemed to be of the essence of the  
15 Mortgage and of the Construction Agreement, the performance of which is secured  
16 hereby.

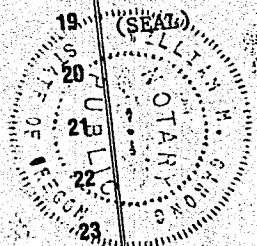
17 IN WITNESS WHEREOF, said Mortgagors have hereunto set their hands the  
18 day and year first above written.

19 Donald James Legget Elida Legget  
20 Donald James Legget Elida Legget

21 STATE OF OREGON )  
22 ) SS.  
23 County of Klamath )

24 The foregoing instrument was acknowledged before me this 19th day of  
25 October, 1982, by Donald James Legget and Elida Legget.

26 William M. Ganong  
27 Notary Public for Oregon  
28 My Commission expires: 11-2-82



29 STATE OF OREGON; COUNTY OF KLAMATH; ss.

30 Filed for record . . . 2:28  
31 this 19 day of Oct A.D. 19 82 at 2:28 o'clock P.M., and  
32 duly recorded in Vol. MB2 of Mtge on Page 13906  
Fee \$8.00

By Joyce M. Shaw  
EV. LYN BIRN, County Clerk

After Recording return to:  
William M. Ganong  
1151 Pine Street  
Klamath Falls, OR 97601

WM. M. GANONG  
ATTORNEY AT LAW  
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97601  
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