

MORTGAGE FOR ENERGY CONSERVATION LOAN

77070

DATE: July 9, 1987LOAN #: EC-202

Kenneth D. Wallace and Alexandra Wallace, hereinafter called Mortgagee, in consideration for a loan made under the Energy Conservation Loan Program, hereby mortgages to Lane County, hereinafter called Mortgagee, and its successors or assigns, that certain real property situated in Lane County, Oregon described as follows:

Lot 6 and 7 in Block 4, Little River Ranch, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

together with all dwellings, improvements, fixtures, issues, profits, water rights, easements or privileges now or hereafter belonging to, derived from or in anywise appertaining to the above-described premises.

This Mortgage is made pursuant to the Master Form Mortgage to Secure a Loan for Energy Conservation improvements of the above property, recorded in Lane County Deeds and Records on January 18, 1983 in Reel 1228R Instrument 8301754. All terms and conditions of said Master Form are hereby incorporated by reference as if fully set forth herein. By these initials _____, Mortgagor acknowledges receipt of a copy of said Master Form.

This Mortgage is intended to secure the payment of a Promissory Note in the amount of Thirty-six Thousand Five Hundred Sixty-one 00/100 dollars (\$ 36,561.00) a copy of which is attached and which is incorporated by reference as if fully set forth herein.

Mortgagor agrees to use the proceeds of the loan represented by the above-described Promissory Note and this Mortgage for Energy Conservation improvements to the property described in this Mortgage in the manner indicated in the Construction Contract entered into by Mortgagor and themselves in a Self-Help Contract on February 1, 1987 and as amended by any Contract Change Order duly signed by the Mortgagor and Contractor and not contrary to the purposes of the loan.

Mortgagor agrees to keep the buildings and other improvements now on or which may be hereafter erected on the premises insured in favor of the holders of the Prior Financing and this Mortgage against loss or damage by fire or other hazard, with extended coverage in the sum of Fifty-two Thousand and 00/100 dollars (\$ 52,000.00) by a company acceptable to the holder of this Mortgage. The holder of the Prior Financing and this Mortgage shall be named as additional insureds as their interests shall appear. The amount of coverage shall be adjusted annually to reflect the appraised value of the property with buildings and improvements thereon. Mortgagor promises to furnish a certificate of insurance to the Mortgagee.

This Mortgage is inferior, secondary and subject to No prior financing (Called "Prior Financing") on the above-described real property made by N/A to _____ dated _____, 19____, and recorded in the Mortgage records of Lane County on _____, 19____ in Reel N/A Instrument _____. Said prior financing was given to secure a note at N/A % per annum; the unpaid principal balance as of the date of execution of this Mortgage is N/A.

Mortgagee hereby is granted and reserves the right at it's election to pay any amount due for principal interest or any other sum due on the Prior Financing. Any such payments shall be added to the principal of the attached Promissory Note referred to above and be subject to the terms of said not including accruing interest.

Mortgagor covenants to Mortgagee that said Mortgagor lawfully has fee simple title to the property, that Mortgagor will warrant and defend the same against all persons and that the property is free of all encumbrances except the above-described Prior Financing and further except:

See Appendix "B" Attached

IN WITNESS WHEREOF, Mortgagor has hereunto set his/her hand the day and year first written above.

STATE OF OREGON

MORTGAGOR

County of Lane

Notary Public

My Commission Expires

1987

Personally appeared before me the above named Kenneth D. and Alexandra Wallaceand acknowledged the foregoing instrument to be their voluntary act and deed.

Before me, Notary Public for Oregon

My Commission Expires

18 Jan '89

18 Jan '89

Appendix "B"

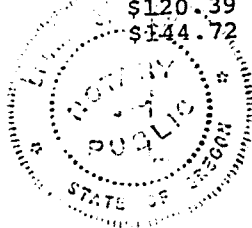
Kenneth D. Wallace
Alexandra Wallace

EC-202

12740

1. Right of the Federal Government, the State of Oregon, and the general public in and to that portion of said property lying below the high water line of the Little Deschutes River.
2. Easement, including the terms and provisions thereof, executed by Harold D. Barclay and Dorothy Barclay, husband and wife, to Fred L. Mahn, dated May 29, 1963, recorded July 31, 1963, in Volume 347 page 76, Deed records of Klamath County, Oregon.
3. Declaration, restrictions, protective covenants and conditions, including the terms and provisions thereof, recorded May 28, 1981, in Volume M81 page 9488, Deed records of Klamath County, Oregon.
4. Easement as contained on the plat.
5. Reservations and restrictions as contained in the declaration as follows: "fee title to all private ways, streets, roads, private recreation areas, semi-public recreational or service areas, and common areas shall be conveyed, by owners, to the Little River Ranch Homeowners Association. Dedicate, donate and convey to Klamath County Lot 10 Block 5 for public facilities purposes."
6. Electric Line-Right of Way Easement, including the terms and provisions thereof, Kenneth D. Stevens to Midstate Electric Cooperative, Inc., a cooperative corporation, dated May 2, 1981, recorded May 8, 1982, in Volume M82 page 15387, Deed records of Klamath County, Oregon.

NOTE: Taxes for 1986-87 are paid as follows:
\$120.39 (Account No. 2309-2A-4500) Key: 699140
\$144.72 (Account No. 2309-2A-4600) Key: 699169



*Ret. Lane Co. Housing Authority
117 Day Island Rd.
Eugene, Or 97401-7776.*

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the _____ 17th day
of _____ July _____ A.D. 19 87 at 11:54 o'clock _____ A.M. and duly recorded in Vol. _____ M87
of _____ Mortgages _____ on Page 12739
By Evelyn Biehn, _____ County Clerk
FEE \$9.00