

MORTGAGE

THIS INDENTURE, Made this 25th day of May, 1938, by and between A.E. Woestemeyer and his wife, Dorothy E. Woestemeyer of Lawrence, Kansas, Mortgagee and The Douglas County Building and Loan Association, a corporation organized and existing under the laws of the State of Kansas, Mortgagee:

WITNESSETH, That the Mortgagee, for and in consideration of the sum of Twenty Eight Hundred and no/100 - - Dollars (\$2800.00), the receipt of which is hereby acknowledged, does by these presents mortgage and warrant unto the Mortgagee, its successors and assigns, forever, the following-described real estate, situated in the County of Douglas, State of Kansas, to wit:

Lot No Nine (9) in Block No. Sixteen (16) in Lane Place Addition, to the City of Lawrence, Kansas.

TO HAVE AND TO HOLD the premises described, together with all and singular the tenements, hereditaments and appurtenances thereunto belonging, and the rents, issues and profits thereof; and also all apparatus, machinery, fixtures, chattels, furnaces, heaters, ranges, mantles, gas and electric light fixtures, elevators, screens, screen doors, awnings, blinds and all other fixtures of whatever kind and nature at present contained or hereafter placed in the buildings now or hereafter standing on the said real estate, and all structures, gas and oil tanks and equipment erected or placed in or upon the said real estate or attached to or used in connection with the said real estate, or to any pipes or fixtures therein for the purpose of heating, lighting, or as part of the plumbing therein, or for any other purpose appertaining to the present or future use or improvement of the said real estate, whether such apparatus, machinery, fixtures or chattels have or would become part of the said real estate by such attachment thereto, or not, all of which apparatus, machinery, chattels and fixtures shall be considered as annexed to and forming a part of the freehold and covered by this mortgage; and also all the estate, right, title and interest of the Mortgagee of, in and to the mortgaged premises unto the Mortgagee, forever.

And the Mortgagee covenants with the Mortgagee that he is lawfully seized in fee of the premises hereby conveyed, that he has good right to sell and convey the same, as aforesaid, and that he will warrant and defend the title thereto forever against the claims and demands of all persons whomsoever.

This mortgage is given to secure the payment of the principal sum of Twenty Eight Hundred and no/100 Dollars (\$2800.00), as evidenced by a certain promissory note of even date herewith, the terms of which are incorporated herein by reference, payable with interest at the rate of five per centum (5%) per annum on the unpaid balance until paid, principal and interest to be paid at the office of The Douglas County Building and Loan Association in Lawrence, Kansas, or at such other place as the holder of the note may designate in writing, in monthly installments of Twenty Two and 15/100 Dollars (\$22.15), commencing on the first day of July, 1938, and on the first day of each month thereafter, until the principal and interest are fully paid, except that the final payment of principal and interest, if not sooner paid, shall be due and payable on the first day of June, 1953.

The Mortgagee covenants and agrees as follows:

1. That he will promptly pay the principal of and interest on the indebtedness evidenced by the said note, at the times and in the manner therein provided. Privilege is reserved to pay the debt in whole, or in an amount equal to one or more monthly payments on the principal that are next due on the note, on the first day of any month prior to maturity; provided, however, that written notice of an intention to exercise such privilege is given at least thirty (30) days prior to prepayment; and provided further that in the event the debt is paid in full prior to maturity and at that time it is insured under the provisions of the National Housing Act, he will pay to the Grantee an insurance premium charge of one per centum (1%) of the original principal amount thereof, provided the time of prepayment is more than 2 years before the maturity date; and an insurance premium charge of one-half of one per centum (1/2%) of the original principal amount thereof, provided that such time of prepayment is 2 years or less before such maturity date; such payment to be applied by the Grantee upon the obligation of the Grantor to the Federal Housing Administrator on account of mortgage insurance.

2. That, together with, and in addition to, the monthly payments of principal and interest payable under the terms of the note secured hereby, the Mortgagee will pay to the Mortgagee until the said note is fully paid, the following sums:

- (a) If this mortgage and the note secured hereby are insured under the provisions of the National Housing Act and so long as they continue to be so insured, one-twelfth (1/12) of one-half of one per centum (1/2%) of the original principal amount of the said note for the purpose of putting the Mortgagee in funds with which to discharge the Mortgagee's obligation to the Federal Housing Administrator for mortgage insurance premiums pursuant to the provisions of Title II of the National Housing Act and Rules and Regulations thereunder. The Mortgagee shall, on the termination of its obligation to pay mortgage insurance premiums, credit to the account of the Mortgagee all payments made under the provisions of this subsection which the Mortgagee has not become obligated to pay to the Federal Housing Administrator.
- (b) A sum equal to one-twelfth (1/12) of one-half of one per centum (1/2%) of the amount of principal then remaining unpaid under the said note as a service charge, which sum is more particularly to cover the expenses of handling the monthly payments on account of taxes, assessments, and fire and other hazard insurance hereinafter provided for, and to cover the other servicing costs in connection with this mortgage and the note secured hereby.
- (c) An installment of the ground rents, if any, and of the taxes and assessments levied or to be levied against the premises covered by this mortgage; and an installment of the premium or premiums that will become due and payable to renew the insurance on the premises covered hereby against loss by fire or such other hazard as may reasonably be required by the Mortgagee in amounts and in a company or companies satisfactory to the Mortgagee. Such installments shall be equal respectively to one-twelfth (1/12) of the annual ground rent, if any, plus the estimated premium or premiums for such insurance, and taxes and assessments next due (as estimated by the Mortgagee), less all installments already paid therefor, divided by the number of months that are to elapse before one month prior to the date when such premium or premiums and taxes and assessments will become delinquent. The Mortgagee shall hold the monthly payments in trust to pay such ground rents, if any, premium or premiums and taxes and assessments before the same become delinquent.
- (d) All payments mentioned in the three preceding subsections of this paragraph and all payments to be made under the note secured hereby shall be added together and the aggregate amount thereof shall be paid by the Mortgagee each month in a single payment to be applied by the Mortgagee to the following items in the order set forth:
 - (I) premium charges under the contract of insurance with the Federal Housing Administrator;
 - (II) service charge as set forth in subsection (b) above;
 - (III) ground rents, if any, taxes, assessments, fire and other hazard insurance premiums;
 - (IV) interest on the note secured hereby; and
 - (V) amortization of the principal of said note.

Any deficiency in the amount of such aggregate monthly payment shall, unless made good by the Mortgagee prior to the due date of the next such payment, constitute an event of default under the note. The Mortgagee may collect a "late charge" not to exceed two cents (2¢) for each dollar (\$1) of each payment more than fifteen (15) days in arrears to cover the extra expense involved in handling delinquent payments.

3. That if the total of the payments made by the Mortgagee under (c) of paragraph 1 preceding shall exceed the amount of payments actually made by the Mortgagee for ground rents, taxes and assessments, or insurance premiums, as the case may be, such excess shall be credited by the Mortgagee on subsequent payments of the same nature to be made by the Mortgagee. If, however, the monthly payments made by the Mortgagee under (c) of paragraph 2 preceding shall not be sufficient to pay ground rents, taxes and assessments or insurance premiums, as the case may be, when the same shall become due and payable, then the

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