

MORTGAGE RECORD 85

Receiving No. 9254 <

EXTENSION AGREEMENT

THIS AGREEMENT entered into between R. C. Danley and Winifred Danley, husband and wife hereinafter referred to as OWNER, and Home Owners' Loan Corporation, a corporate instrumentality of the United States of America, with its principal office at Washington, D. C., hereinafter called the CORPORATION;

WITNESSETH:

WHEREAS, the CORPORATION owns a certain note (or bond) secured by a certain mortgage (or other security instrument) recorded in the Public Records of the County (or town) of Douglas, State of Kansas in Book 79 Page 49, or Document or File No., now covering the following described property:

Lot Seventy-eight (78) and the East Fifteen (15) feet of Lot eighty (80) on Fremont Street in Baldwin City.

WHEREAS, under the terms of said note (or bond) and mortgage (or other security instrument) there remains unpaid as of the 29th day of November, 1939 the sum of Six Hundred Seventy-seven and 87/100 Dollars (\$677.87), including principal, interest and advances; which amount OWNER owes to the CORPORATION but is unable to pay pursuant to provisions of said instruments;

PART ONE

OWNER hereby covenants and agrees that he is now the Owner and holder of the premises upon which the aforesaid mortgage (or other security instrument) is a valid first lien to secure payment of OWNER's indebtedness to the CORPORATION above set forth; and that there are no defenses, offsets or counterclaims to said note (or bond) or said mortgage (or other security instrument); and that OWNER is fully authorized to execute these presents as such.

NOW, THEREFORE, in consideration of the premises and of the covenants herein contained, it is mutually agreed as follows:

1. That the CORPORATION hereby extends the time for payment of said balance remaining unpaid as of such date; and that OWNER hereby agrees (a) to pay such amount with interest from said date at 5% per annum on the unpaid balance in monthly installments of \$4.60; the first of which shall become due and payable on the 29th day of December, 1939, and the remaining installments successively on the same day of each month thereafter until said principal sum together with interest thereon is fully paid; and (b) to perform all of the covenants and conditions of such note (or bond) and mortgage (or other security instrument).

2. All the rights and remedies provided in said note (or bond) and in said mortgage (or other security instrument) relating to default in the making of payments shall also apply to default in the making of the payments provided for in Part One hereof.

PART TWO

In consideration of the granting of the extension as provided in Part One hereof, the OWNER hereby further covenants and agrees:

1. To pay, at the times and in the manner in this paragraph specified, all taxes, assessments, ground rents if any, and other charges which may affect the title of said property or affect said mortgage (or other security instrument) as extended or the indebtedness thereby secured, together with the premiums and cost of renewal of any fire or other insurance held by the CORPORATION on said property or the purchase of such insurance thereon as the CORPORATION may from time to time require, and OWNER agrees that any failure to do so shall constitute a default under said mortgage (or other security instrument) as extended, upon the happening of which the CORPORATION may at its option exercise any or all of its rights and pursue any or all of its remedies provided in said mortgage (or other security instrument) as extended or arising by operation of law. The OWNER shall provide for the payment of said taxes, assessments, ground rents if any, insurance premiums and other charges by paying to the CORPORATION during the term of said mortgage (or other security instrument) as extended, in addition to all other payments to be made by the OWNER hereunder and at the several times at which the OWNER is obligated to make installment payment of principal and/or interest as provided in Part One hereof, additional payments at the rate of at least 1/12 per month of the annual aggregate of such taxes, assessments, ground rents if any, insurance premiums and other charges, as such annual aggregate is from time to time estimated by the CORPORATION. The CORPORATION may commingle with its general funds any moneys received or retained by it pursuant to the provisions of Part Two hereof and shall not be liable for the payment of any interest thereon, nor shall the CORPORATION incur any liability to the OWNER or any other party on account of such moneys, except to account for funds received and funds disbursed under the terms hereof. From and out of moneys received by the CORPORATION pursuant to the provisions of Part Two hereof, and/or from and out of any other moneys received by the CORPORATION from the OWNER or for the OWNER'S account, the CORPORATION may at any time pay the whole or any part of any such taxes, assessments, ground rents if any, insurance premiums and charges, whether any such item has or has not become due or overdue, together with any penalty, interest and charges thereon; or may retain, without liability for interest or otherwise except to account for funds received and funds disbursed, any of such moneys for payment of said items; or the CORPORATION may at its sole option apply at any time any or all of such moneys to the payment of any indebtedness owing to it from the OWNER which is due or past due. If such moneys accumulated by the OWNER in the hands of the CORPORATION pursuant to the provisions of Part Two hereof are insufficient in amount to pay and discharge such taxes, assessments, ground rents if any, insurance premiums and other charges, together with any penalties, interest or charges thereon, when the same become due, payable, past due or delinquent, and if the OWNER fails to pay to the CORPORATION, without demand, the amount of such deficiency, then the CORPORATION at its sole option may at any time pay the whole or any part of any of such taxes, assessments, ground rents if any, insurance premiums, charges, penalties or interest from its own funds, and any such payment by the CORPORATION from its own funds shall constitute an advance for the account of OWNER and shall be secured by, and added to the principal sum already secured by, said mortgage (or other security instrument) as extended and shall be repaid by OWNER on demand. Such advance shall bear interest from the date thereof at the rate provided in Part One hereof and such interest shall become due and payable on the date on which OWNER is obligated to make an installment payment of principal and/or interest next succeeding the date of such advance and thereafter on each succeeding date on which OWNER is so obligated to make an installment payment of principal and/or interest until such advance and interest thereon have been paid in full. All payments of such taxes, assessments, ground rents if any, insurance premiums or other charges made by the CORPORATION hereunder may be in such amounts as are shown by its own records, or by bills therefor issued by proper authority to be due, payable, past due or delinquent on account thereof or on the basis of any other information received by the CORPORATION. The OWNER shall promptly obtain, approve and deliver to the CORPORATION, upon the CORPORATION'S demand all bills for such taxes, assessments, ground rents if any, insurance premiums and charges. Upon full payment of all OWNER'S indebtedness to the CORPORATION, it shall refund to the OWNER, without interest, all unexpended and unapplied moneys then in its possession which were theretofore received or retained by the CORPORATION pursuant to the provisions of Part Two hereof, but none of said moneys received by the CORPORATION hereunder may be withdrawn so long as any indebtedness of OWNER to the CORPORATION remains unpaid.

2. To pay to the CORPORATION, upon demand, any and all costs (including title examination, attorney's fees and recording fees) incurred in connection with the granting of this extension and not paid by OWNER at the time of execution hereof. Such costs shall constitute advances for the account of OWNER and shall be secured by, and added to the principal sum already secured by, said mortgage (or other security instrument) as extended; and shall be repaid by OWNER with interest from the dates thereof at the