

83-1002192

# MORTGAGE

Second Mortgage  
for  
Section 235 Cases

With Addendum, for Repayment of Section 235 Assistance

THIS MORTGAGE, made and executed this 2nd day of May, 1983, A.D., by and between Robert L. Zavala and Sharon E. Zavala, Husband and Wife,

of the County of Hall, and State of Nebraska, party of the first part, hereinafter called the Mortgagor and the Secretary of the Department of Housing and Urban Development party of the second part, hereinafter called the Mortgagee.

WITNESSETH: That the said Mortgagor, is justly indebted to the Mortgagee in the principal sum of One Hundred Twenty Two Thousand Forty and No/100ths----- Dollars (\$ 122,040.00 ) which principal sum will not exceed an amount computed under the terms of the Note executed by said Mortgagor on May 2, 1983, with interest, in accordance with said Note. That as security for said Note the Mortgagor does by these presents Grant, Bargain, Sell, Convey and Confirm unto the Mortgagee, its successors and assigns the following described real estate situated in the County of Hall State of Nebraska, to wit:

Lot Seven (7) and the South Twenty Two Feet and Six Inches (S22'6") of Lot Five (5), in Block Five (5), in College Addition to West Lawn, an Addition to the City of Grand Island, Hall County, Nebraska.

TO HAVE AND TO HOLD the premises above described, with all the appurtenances thereunto belonging and including all heating, plumbing and lighting fixtures and equipment now or hereafter attached to or used in connection with said real estate unto the Mortgagee, and to its successors and assigns, forever. The Mortgagor represents to, and covenants with, the Mortgagee, that the Mortgagor has good right to sell and convey said premises; that they are free from encumbrance, except for an FHA first mortgage; and that the Mortgagor will warrant and defend the same against the lawful claims of all persons whomsoever; and the said Mortgagor hereby relinquishes all rights of homestead, and all marital rights, either in law or in equity, and all other contingent interests of the Mortgagor in and to the above-described premises, the intention being to convey hereby an absolute title, in fee simple, including all rights of homestead, and other rights and interests as aforesaid.

PROVIDED ALWAYS, and these presents are executed and delivered upon the following conditions, to wit:

The Mortgagor agrees to pay to the Mortgagee, on order, the principal sum of One Hundred Twenty Two Thousand Forty and No/100ths----- Dollars (\$ 122,040.00 ), with interest as provided in the Note dated May 2, 1983 and executed by Mortgagor.

The Mortgagor in order more fully to protect the security of this Mortgage, agrees

1. That he will pay the indebtedness, as hereinbefore 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.

2. That the Mortgagor will pay ground rents, taxes, assessments, water rates, and other governmental or municipal charges, fines, or impositions, for which provision has not been made hereinbefore, and in default thereof the Mortgagee may pay the same; and that the Mortgagor will promptly deliver the official receipts therefor to the Mortgagee.

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3. The Mortgagor will pay all taxes which may be levied upon the Mortgagee's interest in said real estate and improvements, and which may be levied upon this mortgage or the debt secured hereby (but only to the extent that such is not prohibited by law and only to the extent that such will not make this loan usurious), but excluding any income tax, State or Federal, imposed on Mortgagee, and will file the official receipt showing such payment with the Mortgagee. Upon violation of this undertaking, or if the Mortgagor is prohibited by any law now or hereafter existing from paying the whole or any portion of the aforesaid taxes, or upon the rendering of any court decree prohibiting the payment by the Mortgagor or any such taxes, or if such law or decree provides that any amount so paid by the Mortgagor shall be credited on the mortgage debt, the Mortgagee shall have the right to give ninety days' written notice to the owner of the mortgaged premises, requiring the payment of the mortgage debt. If such notice be given, the said debt shall become due, payable and collectible at the expiration of said ninety days.

4. That should he fail to pay any sum or keep any covenant provided for in this Mortgage, then the Mortgagee, at its option, may pay or perform the same, and all expenditures so made shall be added to the principal sum owing on the above note, shall be secured hereby, and shall bear interest at the rate set forth in the said note, until paid.

5. That he hereby assigns, transfers and sets over to the Mortgagee, to be applied toward the payment of the note and all sums secured hereby in case of a default in the performance of any of the terms and conditions of this Mortgage or the said note, all the rents, revenues and income to be derived from the mortgaged premises during such time as the mortgage indebtedness shall remain unpaid; and the Mortgagee shall have power to appoint any agent or agents it may desire for the purpose of repairing said premises and of renting the same and collecting the rents, revenues and income, and it may pay out of said incomes all expenses of repairing said premises and necessary commissions and expenses incurred in renting and managing the same and of collecting rentals therefrom; the balance remaining, if any, to be applied toward the discharge of said mortgage indebtedness.

6. That he will keep the improvements now existing or hereafter erected on the mortgaged property, insured as may be required from time to time by the Mortgagee against loss by fire and other hazards, casualties and contingencies in such amounts and for such periods as may be required by the Mortgagee and will pay promptly, when due, any premiums on such insurance provision for payment of which has not been made hereinbefore. All insurance shall be carried in companies approved by the Mortgagee and the policies and renewals thereof shall be held by the Mortgagee and have attached thereto loss payable clauses in favor of and in form acceptable to the Mortgagee. In event of loss Mortgagor will give immediate notice by mail to the Mortgagee, who may make proof of loss if not made promptly by Mortgagor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to the Mortgagee instead of to the Mortgagor and the Mortgagee jointly, and the insurance proceeds, or any part thereof, may be applied by the Mortgagee at its option either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In event of foreclosure of this mortgage or other transfer of title to the mortgaged property in extinguishment of the indebtedness secured hereby, all right, title and interest of the Mortgagor in and to any insurance policies then in force shall pass to the purchaser or grantee.

7. That as additional and collateral security for the payment of the note described and all sums to become due under this mortgage, the Mortgagor hereby assigns to the Mortgagee all profits, revenues, royalties, rights and benefits accruing to the Mortgagor under any and all oil and gas leases on said premises, with the right to receive and receipt for the same and apply them to said indebtedness as well as after default in the conditions of this mortgage, and the Mortgagee may demand, sue for and recover any such payments when due and payable, but shall not be required so to do. This assignment is to terminate and become null and void upon release of this mortgage.

8. That the Mortgagor will keep the building upon said premises in good repair, and neither commit nor permit waste upon said land, nor suffer the said premises to be used for any unlawful purpose.

9. That if the premises, or any part thereof, be condemned under the power of eminent domain, or acquired for a public use, the damages awarded, the proceeds for the taking of, or the consideration for such acquisition, to the extent of the full amount of indebtedness upon this mortgage and the note which is given to secure remaining unpaid, are hereby assigned by the Mortgagor to the Mortgagee, and shall be paid forthwith to said Mortgagee to be applied by the latter on account of the next maturing installment of such indebtedness.

The covenants herein contained shall bind, and the benefits and advantages shall insure to, the respective heirs, executors, administrators, successors and assigns of the parties hereto. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

The foregoing conditions, all and singular, being performed according to their natural and legal import, this conveyance shall be void and said permises released at the expense of the Mortgagor; otherwise to be and remain in full force and effect.

IN WITNESS WHEREOF, the Mortgagor(s) have hereunto set their hand(s) the day and year first above written.

In presence of:

Robert L. Zavala (SEAL)  
 ROBERT L. ZAVALA (SEAL)

Sharon E. Zavala (SEAL)  
 SHARON E. ZAVALA (SEAL)

\_\_\_\_\_ (SEAL)

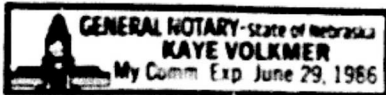
STATE OF NEBRASKA )  
 ) ss  
 COUNTY OF Hall )

On this 2nd day of May, A.D. 1983, before me,

in and for said County, personally came a Notary Public

Robert L. Zavala and Sharon E. Zavala, Husband and Wife, personally to me known to be the identical persons whose names are affixed to the above and foregoing instrument as Mortgagor, and they have acknowledged the said instrument and the execution thereof to be their voluntary act and deed, for the purposes therein expressed.

In testimony whereof, I have hereunto set my hand and affixed by notarial seal at Grand Island, NE on the day and date last above written.



Kaye Volkmer  
 Notary Public

STATE OF NEBRASKA : ss

Filed for record this  
 at o'clock  
 recorded in Book  
 of

day of A.D., 19  
 M., and entered in Numerical Index, and  
 of Mortgages, on Page

Register of Deeds

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MORTGAGE ADDENDUM FOR  
REPAYMENT OF SECTION 235 ASSISTANCE

The rights and obligations of the parties to the attached Mortgage are expressly made subject to this Addendum. If there is any conflict between the provisions of this Addendum and the provisions of the Mortgage, the provisions of this Addendum shall control.

1. The debt secured by this instrument shall include not only the Note recited above but also any assistance paid by the Secretary in accordance with Section 235 of the National Housing Act on behalf of any party to the Mortgage (including any party who takes title to the property subject to the said Mortgage or assumes said Mortgage ) identified as FHA Case No. 321-091155-266 (Insured Mortgage ).
2. The debt will be due and payable when the first of the following occurs:
  - (a) Title to the Property is conveyed to a party who is not eligible for Section 235 mortgage assistance payments, or
  - (b) ~~Payments required under the Insured Mortgage are not made for a period of 90 continuous days, or~~
  - (c) The property covered by the Insured Mortgage is rented for a period longer than one year.
3. If the Insured Mortgage is not paid in full when payment is due under paragraph 2, the Secretary may defer payment until the Insured Mortgage is paid in full. If payment is deferred, the debt will bear interest at the rate of 13.5 percent per year from the date the debt is due under paragraph 2 until the full amount of the debt and interest is paid.

In witness whereof, Borrower has executed this Addendum to the Insured Mortgage.

Robert J. Zavala  
Borrower ROBERT E. ZAVALA

Sharon E. Zavala  
Borrower SHARON E. ZAVALA

May 2, 1983

Date \_\_\_\_\_

Entered as Document No

83-002192

Grantee *[Signature]*

Number *[Signature]*

1-2-3-4  
STATE OF NEBRASKA ) SS  
COUNTY OF MALL )

\*83 MAY 2 PM 4 53

*[Signature]*  
REG OF DEEDS

G. I. ABSTRACT