

REAL ESTATE MORTGAGE

KNOW ALL MEN BY THESE PRESENTS, That on this 18th day of March, 1969,  
VIRGIL WAYNE SCHMOE AND THELMA ALICE SCHMOE, aka Virgil Schmoie and Thelma  
Schmoie, Husband and wife,

hereinafter called the MORTGAGORS, hereby grant, bargain, sell, convey and mortgage to

KLAMATH PRODUCTION CREDIT ASSOCIATION,  
a corporation organized and existing under the Farm Credit Act of the Congress of the United States, as amended, with its  
principal place of business in the City of Klamath Falls

State of Oregon, hereinafter called the MORTGAGEE, the following described real estate in the  
County of Klamath, State of Oregon, to-wit:

In Twp. 39 South, Range 11 1/2 E.W.M.

Section 13: E 1/2, E 1/2 NW 1/4, SW 1/4 NW 1/4, SW 1/4;

Section 14: S 1/2 NE 1/4, SE 1/4, SE 1/4 SW 1/4;

In Twp. 38 South, Range 11 1/2 E.W.M.

Section 24: W 1/2 W 1/2;

Section 23: S 1/2 SE 1/4, EXCEPTING THEREFROM that portion conveyed to Clifford H. Sewald,  
et ux, by deed dated May 9, 1952, recorded May 12, 1952, in Book 254  
at page 513, Deed Records of Klamath County, Oregon;

Section 26: All that portion of the E 1/2 NE 1/4 described as follows: Beginning at an  
iron pin set on the West boundary of the County road right-of-way, said point  
being 30 feet West of the centerline of said road and the section corner common  
to Sections 23, 24, 25 and 26, Twp. 38 South, Range 11 1/2 E.W.M., thence South  
along the west boundary of the county road a distance of 1553.0 feet to a fence  
corner; thence North 81°50' West along said fence a distance of 102.3 feet;  
thence North 21°23' West a distance of 1095.0 feet; thence North 41°13' West  
a distance of 751.7 feet to an iron pin set on the East-West section line  
common to Sections 23 and 26, Twp. 38 South, Range 11 1/2 E.W.M.; thence South  
88°33' East a distance of 1052.0 feet, more or less, along said section line  
to the point of beginning.

together with all the tenements, hereditaments, rights, privileges, appurtenances, and fixtures, including all irrigating and  
watering apparatus, now or hereafter belonging to, located on, or used in connection with the above described premises,  
and together with all waters and water rights of every kind and description and however evidenced, and all ditches or other con-  
duits and rights of way thereof, appurtenant to said premises or used in connection therewith; and together with all range and  
grazing rights (including rights under the Taylor Grazing Act and Federal Forest Grazing privileges), now or hereafter  
issued in connection with or appurtenant to the said real property; and the mortgagors covenant that they will comply  
with all rules, regulations and laws pertaining thereto and will in good faith endeavor to keep the same in good standing  
and will execute all waivers and other documents required to give effect to these covenants, and that they will not sell,  
transfer, assign or otherwise dispose of said rights or privileges without the prior written consent of the mortgagee.

SUBJECT TO first lien held by Prudential Insurance Company in approximate amount  
of \$20,430.00

This conveyance is intended as a mortgage securing the performance of the covenants and agreements hereinafter con-  
tained, and the payment of the debt represented by promissory note(s) made by one or more of the Mortgagors (unless  
otherwise indicated) to the order of the Mortgagee, as follows:

MATURITY DATE	DATE OF NOTE	AMOUNT OF NOTE
March 5, 1970	March 18, 1969	\$132,611.00
March 5, 1974	March 18, 1969	16,080.00

This mortgage is intended to secure not only the note(s) hereinafter specifically described, but also any outstanding  
balance of indebtedness, not exceeding \$175,000.00, plus interest from the date of such indebtedness at the  
current rate then existing on loans by mortgagee, due from Mortgagors to Mortgagee, or its assigns or successors, whether  
now existing or contracted for within a period of five (5) years from and after the date of filing of this mortgage; and  
this mortgage shall not be discharged nor shall its effectiveness as security for advances thereafter made be affected, by  
the fact that at certain times there may exist no indebtedness due from Mortgagors to Mortgagee; but the lien of this  
mortgage shall continue as security for any loans or advances made to Mortgagors by Mortgagee or its assigns, until it has  
been intentionally released.

MORTGAGORS COVENANT AND AGREE:

That they are lawfully seized of said premises in fee simple, have good right and lawful authority to convey and mort-  
gage the same, and that said premises are free from encumbrances except as stated above; and each of the Mortgagors  
will warrant and defend the same forever against the lawful claims and demands of all persons whomsoever except as  
stated above, hereby relinquishing all dower and homestead rights in the premises; and these covenants shall not be ex-  
tinguished by any foreclosure hereof, but shall run with the land;

To pay when due all debts and money secured hereby;

To keep the buildings and other improvements now or hereafter existing on said premises in good repair and not to remove or demolish or permit the removal or demolition of any thereof; not to commit or suffer waste of any kind upon said premises; not to use or permit the use of said premises for any unlawful or objectionable purpose; and to do all acts and things necessary to preserve all water rights now or hereafter appurtenant to or used in connection with said premises;

To pay when due all taxes and assessments upon said premises; and to suffer no other lien or encumbrance prior to the lien of this mortgage to exist at any time against said premises, except as stated above;

To keep all buildings insured against loss or damage by fire in manner and form and in such company or companies and in such amount as shall be satisfactory to the Mortgagee; to pay when due all premiums and charges on all such insurance; to deposit with the Mortgagee, upon request, all insurance policies affecting the mortgaged premises, all of which said insurance shall be made payable, in case of loss, to the Mortgagee, with a mortgagee clause satisfactory to the Mortgagee;

To keep in good standing and free from delinquencies all obligations under any mortgage or other lien which is prior to this mortgage.

Should the Mortgagors be or become in default in any of the covenants or agreements herein contained, then the Mortgagee may, at its option, perform the same in whole or in part, and all expenditures made by the Mortgagee in so doing shall bear interest at the rate borne by the principal debt hereby secured, and shall be immediately repayable by the Mortgagors without demand, and, together with interest and costs accruing thereon, shall be secured by this mortgage.

Time is material and of the essence hereof; and in case of breach of any of the covenants or agreements hereof, or if default be made in the payment of any of the sums hereby secured, then, in any such case, all indebtedness hereby secured shall, at the election of the Mortgagee, become immediately due without notice, and this mortgage may be foreclosed; but the failure of the Mortgagee, to exercise such option in any one or more instances shall not be considered as a waiver or relinquishment of the right to exercise such option upon or during the continuance of the same or any other default.

In case of any suit to foreclose this mortgage or to collect any charge growing out of the debt hereby secured, or of any suit which the Mortgagee may deem it necessary to prosecute or defend to effect or protect the lien hereof, the Mortgagors agree to pay a reasonable sum as attorney's fees and all costs and legal expenses in connection with said suit, and further agree to pay the reasonable costs of searching the records and abstracting or insuring the title, and such sums and costs and expenses shall be secured hereby and be included in the decree of foreclosure.

Upon or during the continuance of any default hereunder, the Mortgagee shall have the right forthwith to enter into and upon the mortgaged premises and take possession thereof, except under circumstances where such taking is expressly prohibited by law, and collect the rents, issues and profits thereof, and apply the same, less reasonable costs of collection, upon the indebtedness hereby secured; and the Mortgagee shall have the right to the appointment of a receiver to collect the rents, issues and profits of the mortgaged premises and/or to manage the property during the pendency of legal proceedings. The rents, issues and profits of said premises after default shall accrue to Mortgagee's benefit and are hereby assigned and mortgaged to Mortgagee as additional security for the indebtedness herein described.

All rights and remedies conferred on Mortgagee by this mortgage are cumulative and additional to any and all other rights and remedies conferred by law, and are not exclusive. If any provision of this mortgage be found invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof; and the mortgage shall be construed as though the invalid or unenforceable provision had been omitted.

The covenants and agreements herein contained shall extend to and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto.

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

*Virgil W. Schmoer*  
*Thelma Schmoer*

(Leave this space blank for filing data)

STATE OF OREGON,  
County of Klamath,  
Filed for record at request of  
Klamath Production Credit Ass'n.  
on this 31st day of March A.D. 1969  
at 12:14 o'clock P. M. and duly  
recorded in Vol. M-69 of Mortgages  
Page 2309  
By Wm D. MILNE, County Clerk  
By Donna Sprad, Deputy  
Fee \$3.00

ACKNOWLEDGMENT.  
ACKNOWLEDGEMENT

STATE OF OREGON }  
County of Klamath } ss.  
On this 28th day of March, 1969  
before me, the undersigned officer, personally appeared  
the above named Virgil W. Schmoer and  
Thelma Schmoer  
and acknowledged the foregoing instrument to be  
theirs, voluntarily executed.  
IN WITNESS WHEREOF, I have hereunto set my hand and  
Official seal.  
*Osmond D. Lester*  
Notary Public, State of Oregon  
My Commission expires Feb. 9, 1971

20  
117 to Klam. Prod. Cr. Ass'n, 125-d, 9th St., Astoria