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THIS MORTGAGE, Made this 26th day of March, 1980, by ROGER W. SCHOOLER and CHERYL ANN SCHOOLER, husband and wife, hereinafter called Mortgagor, to RONALD C. SHORT, and Kathleen G. Short, Husband and Wife hereinafter called Mortgagee,

WITNESSETH, That said mortgagor, in consideration of Twenty-five Thousand and no/100 (25,000.00) Dollars, to him paid by said mortgagee, does hereby grant, bargain, sell and convey unto said mortgagee, his heirs, executors, administrators and assigns, that certain real property situated in Klamath County, State of Oregon, bounded and described as follows, to-wit:

That portion of the N½ of the SW¼ of Section 19, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, lying Easterly of the 1-A Drain.

Subject to reservations and restrictions of record, and easements and rights of way of record and those apparent on the land.

Subject to Special Assessment as Farm Use Land.

Subject to terms and provisions of first mortgage to Federal Land Bank of Spokane.

Subject to rules, regulations and assessments of Klamath Irrigation District.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and which may hereafter thereto belong or appertain, and the rents, issues and profits therefrom, and any and all fixtures upon said premises at the time of the execution of this mortgage or at any time during the term of this mortgage.

To Have and to Hold the said premises with the appurtenances unto the said mortgagee, his heirs, executors, administrators and assigns forever.

This mortgage is intended to secure the payment of a certain promissory note, described as follows: from Roger W. Schooler and Cheryl Ann Schooler, husband and wife, as Payors, in favor of Ronald C. Short, Payee, in the amount of \$25,000.00, dated March 26, 1980, bearing interest at the rate of 10 1/2 per cent per annum, commencing March 26, 1980, said Note being payable on or before March 26, 1990, both principal and interest in full.

The date of maturity of the debt secured by this mortgage is the date on which the last scheduled principal payment becomes due, to-wit: 19 90.

The mortgagor warrants that the proceeds of the loan represented by the above described note and this mortgage are to be used primarily for the mortgagor's personal, family, household or agricultural purposes (see Important Notice below). And said mortgagor covenants to and with the mortgagee, his heirs, executors, administrators and assigns, that he is lawfully seized in fee simple of said premises and has a valid, unencumbered title thereto except as hereinabove set forth,

and will warrant and forever defend the same against all persons; that he will pay said note, principal and interest according to the terms thereof; that while any part of said note remains unpaid he will pay all taxes, assessments and other charges of every nature which may be levied or assessed against said property, or this mortgage or the note above described, when due and payable and before the same may become delinquent; that he will promptly pay and satisfy any and all liens or encumbrances that are or may become liens on the premises or any part thereof superior to the lien of this mortgage; that he will keep the building now on or which may be hereafter erected on the premises insured in favor of the mortgagee against loss or damage by fire, with extended coverage, in the sum of \$ full insurable value in a company or companies acceptable to the mortgagee; and will have all policies of insurance on said property made payable to the mortgagee as his interest may appear and will deliver all policies of insurance on said premises to the mortgagee as soon as issued, that he will keep the building and improvements on said premises in good repair and will not commit or suffer any waste of said premises. Now, therefore, if said mortgagor shall keep and perform the covenants herein contained and shall pay said note according to its terms, this mortgage shall be void, but otherwise shall remain in full force as a mortgage to secure the performance of all of said covenants and the payments or any part thereof the mortgagee shall have the option to declare the whole amount unpaid on said note and on this mortgage at once due and payable, and this mortgage may be foreclosed at any time thereafter. And if the mortgagee shall fail to pay any taxes or charges of any lien, encumbrance or insurance premium as above provided for, the mortgagee may at his option do so, and any payment so made shall be added to and become a part of the debt secured by this mortgage and shall bear interest at the same rate as said note without waiver, however, of any right arising to the mortgagee for breach of covenant. And this mortgage may be foreclosed for principal, interest and all sums paid by the mortgagee at any time while the mortgagee neglects to repay any sums so paid by the mortgagee. In the event of any suit or action being instituted to foreclose this mortgage, the mortgagor agrees to pay all reasonable costs incurred by the mortgagee for title reports and title search, all statutory costs and disbursements and such further sum as the trial court may adjudge reasonable as plaintiff's attorney's fees in such suit or action, and if an appeal is taken from any judgment or decree entered therein mortgagor further promises to pay such sum as the appellate court shall adjudge reasonable as plaintiff's attorney's fees on such appeal, all such sums to be secured by the lien of this mortgage and included in the decree of foreclosure. Each and all of the covenants and agreements herein contained shall apply to and bind the heirs, executors, administrators and assigns of said mortgagor and of said mortgagee respectively. In case suit or action is commenced to foreclose this mortgage, the court may, upon motion of the mortgagee, appoint a receiver to collect the rent and profits arising out of said premises during the pendency of such foreclosure, and apply the same to the payment of the amount due under this mortgage, first deducting all proper charges and expenses attending the execution of said trust.

In construing this mortgage, it is understood that the mortgagor or mortgagee may be more than one person; that if the context so requires, the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine and the neuter, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

IN WITNESS WHEREOF, said mortgagor has hereunto set his hand the day and year first above written.

*IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable, the mortgagee MUST comply with the Truth-in-Lending Act and Regulation Z by making required disclosures; for this purpose, if this instrument is to be a FIRST lien to finance the purchase of a dwelling, use S-N Form No. 1305 or equivalent; if this instrument is NOT to be a first lien, use S-N Form No. 1306, or equivalent.

STATE OF OREGON, County of Klamath, ss: March 26, 19 80. Personally appeared the above named ROGER W. SCHOOLER and CHERYL ANN SCHOOLER, husband and wife, and acknowledged the foregoing instrument to be their voluntary act and deed. Before me: Maynard Conrad, Notary Public for Oregon. My commission expires: 11-20-81

(NOTARIAL SEAL)

MORTGAGE

ROGER W. SCHOOLER and CHERYL ANN SCHOOLER

TO

RONALD C. SHORT.

AFTER RECORDING RETURN TO

(DON'T USE THIS SPACE; RESERVED FOR RECORDING LABEL IN COUNTY WHERE USED.)

STATE OF OREGON

County of Klamath ss.

I certify that the within instrument was received for record on the 26th day of March, 19 80, at 8:33 o'clock AM., and recorded in book 1130 on page 5722 or as file number 32414.

Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Wm. D. Milne, County Clerk

By Bernice A. Shook, Deputy

Fee \$3.50