

THIS MORTGAGE, Made this 15th day of January, 1985,
Leland J. Stoehsler and Juanita Stoehsler

hereinafter called Mortgagor,
to South Valley State Bank hereinafter called Mortgagee,
WITNESSETH, That said mortgagor, in consideration of Forty-Four Thousand Two Hundred Fifty
and No/100 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 prop-
erty situated in Klamath County, State of Oregon, bounded and described as follows, to-wit:

See Exhibit "A" attached hereto and made a part hereof.

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE SIDE)

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:
Note dated January 15, 1985 in the amount of \$44,250.00 with the maturity date of December
31, 1985.

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:
December 31, 1985.

The mortgagor warrants that the proceeds of the loan represented by the above described note and this mortgage are:

(a) * primarily for mortgagee's personal, family, household or agricultural purposes (see Important Notice below);

(b) for an organization or (even if mortgagor is a natural person) are for business or commercial purposes other than agricultural purposes.

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

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
buildings 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 \$ 44,250.00 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 insured; 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 conveyance shall be void, but otherwise shall remain in full force as a mortgage to secure the performance of all of said covenants and the pay-
ment of said note; it being agreed that a failure to perform any covenant herein, or if proceedings of any kind be taken to foreclose on any lien on said prop-
erty 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 mortgagor shall fail to pay any taxes or charges of any lien, encumbrances or insur-
ance 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 mortgagor neglects to repair
any sums to be paid by the mortgagee.

In the event of any suit or action being instituted to foreclose this mortgage, the losing party in such suit or action agrees to pay all reasonable costs
incurred by the prevailing party therein for title reports and title search, all statutory costs and disbursements and such further sum as the trial court may
adjudge reasonable as the prevailing party's attorney's fees in such suit or action, and if an appeal is taken from any judgment or decree entered therein by
losing party further proceeds to pay such sum as the appellate court shall adjudge reasonable as the prevailing party's attorney's fees on such appeal, all such
sums to be included in the court's decree. Each and all of the covenants and agreements herein contained shall apply to and bind the heirs, executors, adminis-
trators 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 rents and profits arising out of said premises during the pendency of such foreclosure, and apply the same
first defraying all proper charges and expenses attending the execution of said trust, at the court may direct in its judgment or decree.

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 re-
quired 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: Leland J. Stoehsler and Juanita Stoehsler

Personally appeared the above named

and acknowledged the foregoing instrument to be their

voluntary act and

Before me:

Judi Christman

Notary Public for Or

My commission expires:

10-17-87

(NOTARIAL SEAL)

MORTGAGE

TO

AFTER RECORDING RETURN TO
SOUTH VALLEY STATE BANK
P. O. BOX 5210
KLAMATH FALLS, OREGON 97601

STATE OF OREGON

County of

I certify that the within ins-
trument was received for record on
day of 19

at o'clock M., and recor-
in book on page
or as file number

Record of Mortgages of said Count
Witness my hand and seal
County affixed.

By

De

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

37923
Borrower's Name and Address
513 SOUTH SIXTH STREET
KIAMATH FALLS OR 97603
Loan Number 20
Date January 15
Maturity Date December
Loan Amount \$ 44,250
Renewal Of

Lender's Name and Address
"You" means the lender, its successors and assigns.
I promise to pay to you, or your order, at your address listed above the
PRINCIPAL sum of Forty-four thousand Two Hundred Fifty and No/100 Dollars \$ 44,250
☒ Single Advance: I have received all of this principal sum. No additional advances are contemplated under this note.
☐ Multiple Advance: The principal sum shown above is the maximum amount of principal I can borrow under this note. As of the amount of \$ _____ and future principal advances are contemplated.

Conditions: The conditions for future advances are _____
☐ Open End Credit: You and I agree that I may borrow up to the maximum amount of principal more than one time. This feature is conditions and expires no later than _____ 19 ____
☐ Closed End Credit: You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions).

PURPOSE: The purpose of this loan is pay-off personal loan
INTEREST: I agree to pay interest on the principal balance(s) owing from time to time as stated in this section.
☐ Fixed Rate: I agree to pay interest at the fixed, simple rate of _____ % per year.
☒ Variable Rate: I agree to pay interest at the initial simple rate of 15.50 % per year. This rate may change as stated: 4.75% above the following index rate: South Valley State Bank
☐ Index Rate: The future rate will be Rate as set periodically by the Board of Directors

☐ No Index: The future rate will not be subject to any internal or external index. It will be entirely in your control.
☒ Frequency and Timing: The rate on this note may increase as often as daily
An increase in the index will take effect on date of change
☐ Limitations: The rate on this note will not at any time (and no matter what happens to any index rate used) go above or below these:
☐ Maximum Rate: The rate will not go above _____
☐ Minimum Rate: The rate will not go below _____
Post Maturity Rate: I agree to pay interest on the principal owing after maturity, and until paid in full, as stated below:
☐ on the same fixed or variable rate basis in effect before maturity (as indicated above).
☒ at a rate equal to 24.0%

ADDITIONAL CHARGES: In addition to interest, I ☐ have paid ☒ agree to pay the following additional charges Loan Fee: \$250
Late Charge: 3% of balance due or \$10.00, whichever is greater, not to exceed \$500.00. If
PAYMENTS: I agree to pay this note as follows:
☒ Interest: I agree to pay accrued interest monthly beginning February 15, 1985
☒ Principal: I agree to pay the principal at maturity of December 31, 1985

☐ Installments: I agree to pay this note in _____ payments. The first payment will be in the amount of \$ _____ and will be due _____, 19 _____. A payment of \$ _____ will be due on the _____ thereafter. The final payment of the entire unpaid balance principal and interest will be due _____, 19 _____.
☒ Effect of Variable Rate: An increase in the interest rate will have the following effect on the payments:
☐ The amount of each scheduled payment will be increased.
☒ The amount of the final payment will be increased.

ADDITIONAL TERMS:
SECURITY: This note is secured by: Security Agreement
dated January 15, 1985 covering A/R, Inventory
and equipment

checked, my agreement was signed today securing this note.
section is for your internal use. It may not include every agree-
ment or item of collateral securing this note. You will not lose any security by
removing it from this section.)
BANKERS SYSTEMS, INC. ST. CLOUD, MN. FORM UN 2/17/84
SIGNATURES: I AGREE TO THE TERMS OF THIS NOTE (INCLUDING THOSE ON THE OTHER SIDE). I have received a copy on today's date.
STOEHSLE & STOEHSLE, INC.
By: [Signature]

The following described real property situate in Klamath County, Oregon:

PARCEL 1: A tract of land situated in the NW¼SE¼ of Section 6, Township 39 South, Range 11 E.W.M., Klamath County, Oregon, more particularly described as follows:

Beginning at the center quarter corner of said Section 6; thence Southerly to the Southwest corner of said NW¼SE¼; thence Easterly to the Southeast corner of said NW¼SE¼; thence Northwesterly to the point of beginning, containing 20 acres, more or less.

PARCEL 2: A tract of land situated in Section 6, Township 39 South, Range 11 E.W.M., Klamath County, Oregon, more particularly described as follows:

Beginning at the South one-sixteenth corner, from which the section corner common to Sections 5, 6, 7 and 8 of said township and range is southerly 1120 feet, more or less; thence Northerly along said section line between said Sections 5 and 6, 1218 feet, more or less, to the Southerly right of way line of the Bonanza-Hairy Highway; thence along said right of way N. 56°58'22" W. 3890 feet to a point from which the section corner common to said Sections 5, 6, 7 and 8 bears S. 35°07'15" E. 5695.43 feet; thence S. 41°39'13" W. 255.74 feet; thence S. 35°16'04" E. 188.46 feet; thence S. 26°46'50" E. 586.15 feet; thence Southerly 235 feet, more or less, to an iron pin being the Northeast corner of that tract of land described as the Exception from Parcel 3 in deed Volume M78 page 13640 of the Klamath County Deed Records; thence along the East line of said deed volume - Parcel 3 exception, South 68.7 feet to an iron pin; thence along the westerly line of said deed volume, Parcel 3, Paragraph 2, S. 29°51' E. 843.7 feet to an iron pin and S. 00°13' W. 183.7 feet to the center quarter corner of said Section 6; thence Southeasterly to the Southeast one-sixteenth corner of said Section 6; thence easterly to the point of beginning, containing 120 acres, more or less.

STATE OF OREGON,)

County of Klamath)

Filed for record at request of

on this 5th day of February A.D. 19 85

at 9:17 o'clock A M, and duly

recorded in Vol. M85 of Mortgages

Page 1783

EVELYN BIEHN, County Clerk

By [Signature] Deputy

Fee 11.00