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REAL ESTATE MORTGAGE

Vol. 77 Page 4010

KNOW ALL MEN BY THESE PRESENTS, That on this 3rd day of March, 1977,

CIRCLE FIVE RANCH, INC.

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:

Twp. 39 South, Range 14 E.W.M.

Section 16: SE $\frac{1}{4}$ NW $\frac{1}{4}$

Section 12: SW $\frac{1}{4}$ SE $\frac{1}{4}$

Section 13: NW $\frac{1}{4}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$

Twp. 38 South, Range 15 E.W.M.

Section 6: W $\frac{1}{2}$ SE $\frac{1}{4}$ , E $\frac{1}{2}$ SW $\frac{1}{4}$

Section 7: W $\frac{1}{2}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ NW $\frac{1}{4}$

ALSO SEE ATTACHED EXHIBIT "A"

PARCEL 1:

EXHIBIT "A"

151439-2

All in Township 39 South, Range 12 East of the Willamette Meridian.

Section 11: SE $\frac{1}{2}$ SW $\frac{1}{2}$ , SW $\frac{1}{4}$ SE $\frac{1}{2}$

Section 13: SE $\frac{1}{2}$

Section 14: NE $\frac{1}{2}$ , E $\frac{1}{2}$ NW $\frac{1}{2}$ , NE $\frac{1}{2}$ SW $\frac{1}{2}$ , NW $\frac{1}{2}$ SE $\frac{1}{2}$

Section 23: E $\frac{1}{2}$ , E $\frac{1}{2}$ W $\frac{1}{2}$

Section 24: All

Section 25: All

Section 26: NE $\frac{1}{2}$ , NE $\frac{1}{2}$ NW $\frac{1}{2}$ , NE $\frac{1}{2}$ SE $\frac{1}{2}$

Section 36: E $\frac{1}{2}$ , E $\frac{1}{2}$ W $\frac{1}{2}$

PARCEL 2:

All in Township 39 South, Range 13 East of the Willamette Meridian.

Section 18: SW $\frac{1}{2}$ SW $\frac{1}{2}$  (Lot 4)

Section 19: NE $\frac{1}{2}$ SE $\frac{1}{2}$ , W $\frac{1}{2}$ SE $\frac{1}{2}$ , W $\frac{1}{2}$ , SW $\frac{1}{2}$ NE $\frac{1}{2}$

Section 30: W $\frac{1}{2}$ , W $\frac{1}{2}$ NE $\frac{1}{2}$ , NW $\frac{1}{2}$ SE $\frac{1}{2}$

Section 31: Lot 1, NE $\frac{1}{2}$ NW $\frac{1}{2}$ , Lots 2, 3, and 4, SE $\frac{1}{2}$ NW $\frac{1}{2}$

PARCEL 3:

4011

All in Township 40 South, Range 13 East of the Willamette Meridian.

Section 1: E $\frac{1}{2}$ SW $\frac{1}{2}$ , W $\frac{1}{2}$ SE $\frac{1}{2}$ , SE $\frac{1}{2}$ SE $\frac{1}{2}$ , E $\frac{1}{2}$ NE $\frac{1}{2}$  less 3 acres formerly reserved for school and two town lots mentioned in deed recorded in Vol. 43 at page 325.

Section 12: N $\frac{1}{2}$ NE $\frac{1}{2}$

PARCEL 4:

All in Township 40 South, Range 14 East of the Willamette Meridian.

Section 19: W $\frac{1}{2}$ E $\frac{1}{2}$ , all of E $\frac{1}{2}$ E $\frac{1}{2}$  lying West and South of County Road, SE $\frac{1}{2}$ SW $\frac{1}{2}$

Section 29: W $\frac{1}{2}$ SW $\frac{1}{2}$ , SE $\frac{1}{2}$ SW $\frac{1}{2}$

Section 30: E $\frac{1}{2}$ , E $\frac{1}{2}$ W $\frac{1}{2}$ , Lots 3 and 4

Section 31: All

Section 32: W $\frac{1}{2}$

All in Township 41 South, Range 14 East of the Willamette Meridian.

Section 5: W $\frac{1}{2}$ , W $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{2}$

Section 6: SE $\frac{1}{2}$ SE $\frac{1}{2}$

PARCEL 5:

A strip of land for construction, operation and maintenance of irrigation ditch or canal which was conveyed to W. D. Campbell by Johnson Stock Co. by deed dated September 19, 1952, and recorded September 30, 1952, in Book 257 at page 91, Klamath County, Deed Records.



Section 18: SW $\frac{1}{4}$ SW $\frac{1}{4}$  (Lot 4)  
Section 19: NE $\frac{1}{4}$ SE $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ , W $\frac{1}{2}$ , SW $\frac{1}{4}$ NE $\frac{1}{4}$   
Section 30: W $\frac{1}{2}$ , W $\frac{1}{2}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$   
Section 31: Lot 1, NE $\frac{1}{4}$ NW $\frac{1}{4}$ , Lots 2, 3, and 4, SE $\frac{1}{4}$ NW $\frac{1}{4}$

PARCEL 3:

4011

All in Township 40 South, Range 13 East of the Willamette Meridian.

Section 1: E $\frac{1}{2}$ SW $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SE $\frac{1}{4}$ , E $\frac{1}{2}$ NE $\frac{1}{4}$  less 3 acres formerly reserved for school and two town lots mentioned in deed recorded in Vol. 43 at page 325.

Section 12: N $\frac{1}{2}$ NE $\frac{1}{4}$

PARCEL 4:

All in Township 40 South, Range 14 East of the Willamette Meridian.

Section 19: W $\frac{1}{2}$ E $\frac{1}{2}$ , all of E $\frac{1}{2}$ E $\frac{1}{2}$  lying West and South of County Road, SE $\frac{1}{4}$ SW $\frac{1}{4}$

Section 29: W $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$

Section 30: E $\frac{1}{2}$ , E $\frac{1}{2}$ W $\frac{1}{2}$ , Lots 3 and 4

Section 31: All

Section 32: W $\frac{1}{2}$

All in Township 41 South, Range 14 East of the Willamette Meridian.

Section 5: W $\frac{1}{2}$ , W $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{4}$

Section 6: SE $\frac{1}{4}$ SE $\frac{1}{4}$

PARCEL 5:

A strip of land for construction, operation and maintenance of irrigation ditch or canal which was conveyed to W. D. Campbell by Johnson Stock Co. by deed dated September 19, 1952, and recorded September 30, 1952, in Book 257 at page 91, Klamath County, Deed Records.

PARCEL 6:

All in Township 41 South, Range 13 East of the Willamette Meridian.

Section 1: Lot 1, S $\frac{1}{2}$ NE $\frac{1}{4}$ , North 678 feet of N $\frac{1}{2}$ SE $\frac{1}{4}$  and the portions of Lots 2 and 3 lying Southeasterly of the Langell Valley Irrigation District Canal.

PARCEL 7:

All in Township 33 South, Range 15 East of the Willamette Meridian.

Section 16: E $\frac{1}{2}$ SE $\frac{1}{4}$

Section 31: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 22: SW $\frac{1}{4}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$

Section 34: W $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$

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PARCEL 8:

All in Township 39 South, Range 15 East of the Willamette Meridian.

- Section 3: Lots 3 and 4 ( $N\frac{1}{2}NW\frac{1}{4}$ ) and  $SW\frac{1}{4}NW\frac{1}{4}$   
Section 4: Lots 1 and 4 ( $N\frac{1}{2}N\frac{1}{2}$ ),  $SW\frac{1}{4}NW\frac{1}{4}$ ,  $SE\frac{1}{4}NE\frac{1}{4}$ ,  $SE\frac{1}{4}$   
Section 5:  $W\frac{1}{2}$ ,  $NE\frac{1}{4}$   
Section 6:  $SE\frac{1}{4}SW\frac{1}{4}$ ,  $S\frac{1}{2}SE\frac{1}{4}$ ,  $NE\frac{1}{4}SE\frac{1}{4}$ ,  $SE\frac{1}{4}NE\frac{1}{4}$   
Section 8:  $N\frac{1}{2}NW\frac{1}{4}$ ,  $NW\frac{1}{4}NE\frac{1}{4}$ ,  $E\frac{1}{2}SW\frac{1}{4}$ ,  $SW\frac{1}{4}SE\frac{1}{4}$   
Section 9:  $NE\frac{1}{4}NE\frac{1}{4}$   
Section 17:  $E\frac{1}{2}W\frac{1}{2}$ ,  $N\frac{1}{2}NE\frac{1}{4}$ ,  $S\frac{1}{2}SE\frac{1}{4}$ ,  $NE\frac{1}{4}SE\frac{1}{4}$

PARCEL 9:

All in Township 38 South, Range 15 East of the Willamette Meridian  
section 32,  $SE\frac{1}{4}SE\frac{1}{4}$   
section 33,  $SE\frac{1}{4}SE\frac{1}{4}$

T. 39 S., R. 15 E.

- section 3,  $W\frac{1}{2}SW\frac{1}{4}$   
section 4, Lot 2, Lot 3,  $SE\frac{1}{4}NW\frac{1}{4}$ ,  $SW\frac{1}{4}NE\frac{1}{4}$ ,  $SW\frac{1}{4}$   
section 9,  $NW\frac{1}{4}NE\frac{1}{4}$ ,  $NE\frac{1}{4}NW\frac{1}{4}$

EXCEPTING THEREFROM that portion of Sections 5 and 6, Township 41 South, Range 14 East of the Willamette Meridian, of the above described property, conveyed to Johnson Stock Company, an Oregon corporation, by deed recorded October 7, 1952, in Deed Vol. 257 page 167, records of Klamath County, Oregon;

ALSO FURTHER EXCEPTING that portion of said Sections 5 and 6, Township 41 South, Range 14 East of the Willamette Meridian, as set forth in deed to W. D. Campbell, et ux., by deed recorded December 10, 1945, in Deed Vol. 183 page 7, records of Klamath County, Oregon, as follows:

Excepting a 3 acre tract described as follows: Beginning at the Northwest corner of  $SE\frac{1}{4}$  of Section 5, Township 41 South, Range 14 East of the Willamette Meridian; thence South 1 chain, more or less, to the center of County Road running Easterly; thence East and South 20 chains; thence North to a point due East of the point of beginning; thence West to the point of beginning;

Further Excepting from said Sections 5 and 6, Township 41 South, Range 14 East of the Willamette Meridian, that portion conveyed to Charles W. Kilgore, et al., by deed recorded June 8, 1953, in Deed Vol. 261 page 247, records of Klamath County, Oregon, as follows:

All of the  $NW\frac{1}{4}$  of the  $SE\frac{1}{4}$  of Section 5, Township 41 South, Range 14 East of the Willamette Meridian, lying North of the centerline of the Old Grohs Ranch Road, but excluding all of that portion of said  $NW\frac{1}{4}$  of the  $SE\frac{1}{4}$  of Section 5 lying North of the Road where it has been relocated in part, it being the intention of the parties that said Grohs Ranch Road as originally established and still apparent on the ground, including the disused portions thereof, shall be the South boundary of this parcel;

ALSO EXCEPTING THEREFROM that portion conveyed to Johnson Stock Co., an Oregon corporation, by deed recorded March 29, 1954, in Deed Vol. 266, page 186, records of Klamath County, Oregon, as follows:

That portion of the  $W\frac{1}{2}SW\frac{1}{4}SE\frac{1}{4}$  of Section 5, Township 41 South, Range 14 East of the Willamette Meridian, described as follows: Starting at the Southwest corner of the  $E\frac{1}{2}SW\frac{1}{4}SE\frac{1}{4}$  of Said Section 5; thence North along the boundary line between the  $W\frac{1}{2}$  and the  $E\frac{1}{2}$  of said  $SW\frac{1}{4}SE\frac{1}{4}$  of Section 5 for a distance of 150 feet; thence West and parallel with the South boundary of Section 5 a distance of 50 feet; thence South 150 feet to said South boundary of Section 5; thence East 50 feet along said South boundary of Section 5 to the place of beginning;

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EXCEPTING THEREFROM that portion of the E $\frac{1}{2}$  of Section 23, Township 39 South, Range 12 East of the Willamette Meridian conveyed to Eugene W. Wilkinson by deed recorded April 26, 1906, in Deed Vol. 20 page 62, records of Klamath County, Oregon;

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EXCEPTING THEREFROM a certain tract set forth in deed recorded in Deed Vol. 7 page 30, records of Klamath County, Oregon, and being one acre tract conveyed to the Baptist Church in Section 36, Township 39 South, Range 12 East of W.M.

Together with 25 HP Century motor, Serial #54163 with Aural pump, Serial #A-166; 15 HP U. S. Electric motor, Serial #3121805, with open ampeller pump, L & B pump, Serial #28549; 100 HP Uniclosed motor, Serial #1376207, with Worthington pump, Serial #7442940; 50 HP General Electric motor, Serial #CF2133440, with Peerless pump, Serial #333625; or any replacements thereof; all of which are hereby declared appurtenant thereto.

ALSO EXCEPTING THEREFROM the following described lands:

Township 41 South, Range 14 East Willamette Meridian

Section 5: All that portion of the W $\frac{1}{2}$ SE $\frac{1}{4}$  of said section, lying Easterly of East Langell Valley Road, a county road, and Southerly of the State Line road, a public road, containing approximately 17 acres

Klamath County, Oregon

ALSO EXCEPTING THEREFROM the following described lands:

Township 38 South, Range 15 East of the Willamette Meridian

Section 16: E $\frac{1}{2}$ SE $\frac{1}{4}$

Section 32: SE $\frac{1}{2}$ NW $\frac{1}{4}$

Township 39 South, Range 15 East of the Willamette Meridian

Section 7: E $\frac{1}{2}$ NE $\frac{1}{4}$ , NW $\frac{1}{2}$ NE $\frac{1}{4}$ , NE $\frac{1}{2}$ NW $\frac{1}{4}$

Section 8: NW $\frac{1}{2}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ NW $\frac{1}{4}$ , E $\frac{1}{2}$ SW $\frac{1}{4}$ , SW $\frac{1}{2}$ SE $\frac{1}{4}$

Section 17: N $\frac{1}{2}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ W $\frac{1}{2}$ , SW $\frac{1}{2}$ SE $\frac{1}{4}$ , E $\frac{1}{2}$ SE $\frac{1}{4}$

Klamath County, Oregon.

ALSO EXCEPTING THEREFROM the following described lands:

Township 40 South, Range 14 East Willamette Meridian

Section 19: SE $\frac{1}{2}$ SW $\frac{1}{4}$ , and all that portion of the E $\frac{1}{2}$  lying Westerly of the Westerly right of way of the County Road

Section 30: W $\frac{1}{2}$ NE $\frac{1}{4}$  and E $\frac{1}{2}$ NW $\frac{1}{4}$

EXCEPTING THEREFROM any portion of the above described parcels lying within the rights of way for ditches and canals, of the Langell Valley Irrigation District.

Klamath County, Oregon

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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 conduits 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 Prior lien held by Federal Land Bank on approximately 8,695 acres

This conveyance is intended as a mortgage to secure the performance of the covenants and agreements hereinafter contained and the payment of the following described promissory note(s) made by one or more of the Mortgagors (unless otherwise indicated) to the order of the Mortgagee, together with interest as hereinafter provided and together with all renewals or extensions thereof:

MATURITY DATE	DATE OF NOTE	AMOUNT OF NOTE
March 5, 1977	January 22, 1976	\$1,034,434.00
March 5, 1977	March 12, 1976	12,000.00
March 5, 1977	October 22, 1976	24,000.00
June 5, 1977	March 3, 1977	138,650.00
March 5, 1981	September 17, 1974	65,332.00

Also this mortgage is intended to secure all future loans or advances made or contracted within a period of FIVE (5) YEARS from and after the date of recording of this mortgage, provided, however, that the maximum amount of all indebtedness to be secured by this mortgage shall not exceed in the aggregate at any time the sum of \$1,000,000.00, exclusive of accrued interest and of advances made in accordance with the covenants of this mortgage to protect collateral.

All present and future indebtedness secured by this mortgage shall bear interest at the rate specified in the note(s) evidencing such indebtedness, provided, however, that if such rate or rates are thereafter increased or decreased by Mortgagee, all of the indebtedness secured hereby shall bear such increased or decreased rate of interest from the effective date thereof.

The continuing validity and priority of this mortgage as security for future loans or advances shall not be impaired by the fact that at certain times hereafter there may exist no outstanding indebtedness from Mortgagor to Mortgagee or no commitment to make loans or advances.

#### MORTGAGORS COVENANT AND AGREE:

That they are lawfully seized of said premises in fee simple, have good right and lawful authority to convey and mortgage 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 extinguished 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.

CIRCLE FIVE RANCH, INC.

by:

*Louis Randall* Pres

by:

*Marian Randall* Vice Pres

*Pub: Klamath Co*

(Leave this space blank for filing data)

# ACKNOWLEDGMENT.

STATE OF Oregon

County of Klamath

3rd March 1977

Personally appeared

*Louis Randall*

*Marian Randall*

their

my hand

*Carol Christine*

Notary Public, State of Oregon

My Commission expires 10-18-78

State of Oregon,  
County of Klamath ] ss.

I hereby certify that the within instrument was received and filed for record on the 9th day of MARCH, 1977, at 2:48 o'clock P. M. and recorded on Page 4010 in Book M-77 Records of MORTGAGES of said County.

WM. D. MILNE, County Clerk

*W. D. Milne* Deputy

Fee \$18.00

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