

46107

REAL ESTATE MORTGAGE

Vol. M85 Page 2581

Member No.

On this 20th day of February 19 85

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:

(SEE SCHEDULE "A" ATTACHED)

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. This mortgage is supplemental to that certain mortgage from Mortgagor to Mortgagee recorded January 6, 1983, Vol. M-83, page 263, Mortgage Records of Klamath County, Oregon, and not in lieu of the aforesaid mortgage.

SUBJECT TO Any mortgage, deed of trust, contract of sale, lien, or judgment, of record as of the date of recordation of this mortgage

This conveyance is intended as a mortgage to secure in whole or in part 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(S)	DATE OF NOTE(S)	AMOUNT OF NOTE(S)
December 5, 1985		\$1,615,882.00
March 5, 1986	July 8, 1982	45,912.00

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 \$1,300,000.00, 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:

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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: Marien Randall V. Pres.

STATE OF Oregon

County of Klamath

(Leave this space blank for filing data)

ACKNOWLEDGMENT.
On this 20th day of February 1985, before me, the undersigned officer, personally appeared
the above named Louis Randall &
Marien Randall

who acknowledged the foregoing instrument to be
their voluntary act and deed.

My commission expires the day of my hand and

Carol Chidens
Notary Public, State of OREGON

My commission expires 10-18-86

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SCHEDULE "A"

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All of the following described property situated in Klamath County, Oregon:

PARCEL 1: All in Township 39 South, Range 12 East of the Willamette Meridian.

- Section 11: $SE\frac{1}{2}SW\frac{1}{2}$, $SW\frac{1}{2}SE\frac{1}{2}$
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: $E\frac{1}{2}$, $E\frac{1}{2}W\frac{1}{2}$

EXCEPTING THEREFROM that portion of the $E\frac{1}{2}NE\frac{1}{2}$ of Section 25, Township 39 South, Range 12 East of the Willamette Meridian, conveyed to Eugene W. Wilkinson by deed recorded April 26, 1906,, in Deed Volume 20, page 62, records of Klamath County, Oregon;

EXCEPTING THEREFROM a certain tract set forth in deed recorded in Deed Volume 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 the Willamette Meridian.

PARCEL 2: All in Township 39 South, Range 13 East of the Willamette Meridian.

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

EXCEPTING THEREFROM a parcel of land situate in Government Lot 4 of Section 31, Township 39 South Range 13, East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the Southeast corner of Government Lot 4 in Section 31, thence West along the South line of said government Lot 4, 400 feet, thence North to the Southerly Right of Way line of Gerber Road, thence Northerly along said Southerly Right of Way line to the East line of said Government Lot 4, thence South along said East line to the point of beginning.

PARCEL 3: All in Township 40 South, Range 13 East of the Willamette Meridian

- Section 1: $E\frac{1}{2}SW\frac{1}{2}$, $W\frac{1}{2}SE\frac{1}{2}$, $SE\frac{1}{2}SE\frac{1}{2}$, Government Lot 1 and $SE\frac{1}{2}NE\frac{1}{2}$, less 3 acres formerly reserved for school and two town lots mentioned in deed recorded in Volume 43 at page 325
Section 12: $N\frac{1}{2}NE\frac{1}{2}$

PARCEL 5: All in Township 40 South, Range 14, East of the Willamette Meridian.

Section 29: $W\frac{1}{2}SW\frac{1}{2}$, $SE\frac{1}{2}SW\frac{1}{2}$
 Section 30: Government lots 3 and 4, $E\frac{1}{2}SW\frac{1}{2}$; $SE\frac{1}{2}$, $E\frac{1}{2}NE\frac{1}{2}$
 Section 31: All
 Section 32: $W\frac{1}{2}$

EXCEPTING THEREFROM those portions conveyed to Klamath County by instrument recorded October 3, 1952 in Deed Volume 257, page 133, records of Klamath County, Oregon, being in Sections 31 and 32, Township 40 South, Range 14 East of the Willamette Meridian.

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

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 Volume 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 Volume 183, page 7, records of Klamath County, Oregon, as follows:

EXCEPTING a 3 acre tract described as follows:

Beginning at the Northwest corner of $SE\frac{1}{2}$ 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 Volume 261, page 247, records of Klamath County, Oregon, as follows:

All of the $NW\frac{1}{2}$ of the $SE\frac{1}{2}$ 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 $NW\frac{1}{2}$ of the $SE\frac{1}{2}$ 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 Volume 266, page 186, records of Klamath County, Oregon, as follows:

That portion of the $W\frac{1}{2}SW\frac{1}{2}SE\frac{1}{2}$ of Section 5, Township 41 South, Range 14 East of the Willamette Meridian, described as follows:

Starting at the Southwest corner of the $E\frac{1}{2}SW\frac{1}{2}SE\frac{1}{2}$ of said Section 5; thence North along the boundary line between the $W\frac{1}{2}$ and the $E\frac{1}{2}$ of said $SW\frac{1}{2}SE\frac{1}{2}$ 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.

ALSO EXCEPT THEREFROM a parcel of land situate in Section 5, Township 41 South Range 14 East of the Willamette Meridian, Klamath County, Oregon, being all that portion of the $W\frac{1}{2}W\frac{1}{2}SE\frac{1}{2}$ of said Section 5, lying easterly of East Langell Valley Road, a County Road and southerly of the State Line Road, a public road.

PARCEL 7: All in Township 38 South, Range 15 East of the Willamette Meridian.

Section 31: $SE\frac{1}{2}SE\frac{1}{2}$
 Section 32: $S\frac{1}{2}SW\frac{1}{2}$, $SW\frac{1}{2}SE\frac{1}{2}$
 Section 34: $W\frac{1}{2}SW\frac{1}{2}$, $SE\frac{1}{2}SW\frac{1}{2}$

PARCEL 8: All in Township 39 South, Range 15 East of the Willamette Meridian.

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

PARCEL 9: All in Township 38 South, Range 15 East of the Willamette Meridian.

Section 32: $SE\frac{1}{2}SE\frac{1}{2}$
 Section 33: $SE\frac{1}{2}SE\frac{1}{2}$

PARCEL 10: All in Township 39 South, Range 15 East of the Willamette Meridian.

Section 3: $W\frac{1}{2}SW\frac{1}{2}$
 Section 4: Government Lots 2 and 3, $SW\frac{1}{2}NE\frac{1}{2}$, $SE\frac{1}{2}NW\frac{1}{2}$, and $SW\frac{1}{2}$
 Section 9: $NW\frac{1}{2}NE\frac{1}{2}$ and $NE\frac{1}{2}NW\frac{1}{2}$

PARCEL 11: All in Township 39 South, Range 14 East of the Willamette Meridian.

Section 12: $SW\frac{1}{2}SE\frac{1}{2}$
 Section 13: $NW\frac{1}{2}NE\frac{1}{2}$, $E\frac{1}{2}NW\frac{1}{2}$
 Section 16: $SE\frac{1}{2}NW\frac{1}{2}$ EXCEPTING THEREFROM $S\frac{1}{2}$ of the $SE\frac{1}{2}$ of the $SE\frac{1}{2}$ of the $NW\frac{1}{2}$ of Section 16, Township 39 South, Range 14 East of the Willamette Meridian

PARCEL 17: All in Township 39 South, Range 13, East of the Willamette Meridian.

Section 19: $E\frac{1}{2}NW\frac{1}{2}$, $SW\frac{1}{2}NE\frac{1}{2}$, $N\frac{1}{2}SE\frac{1}{2}$, $NE\frac{1}{2}SW\frac{1}{2}$

STATE OF OREGON,
 County of Klamath)
 Filed for record at request of

on this 21st day of February A.D. 19 85
 at 9:04 o'clock A M, and duly
 recorded in Vol. M85 of Mortgages
 Page 2581

EVELYN BIEHN, County Clerk

By [Signature] Deputy

Fee 21.00