

Member No.

**REAL ESTATE MORTGAGE**On this 20th day of June, 19 85CRAIG R. OWENS, JACK B. OWENS and THOMAS W. HAWKINShereinafter called the **MORTGAGORS**, hereby grant, bargain, sell, convey and mortgage toCalifornia Livestock**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 Elk GroveState of Californiahereinafter called the **MORTGAGEE**, the following described real estate in theCounty of KlamathState of Oregon

, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

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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.** First and prior lien by Federal Land Bank as to the NE Quarter of Section 10, and prior to lien by Orville Elliott and Harry O. Elliott as to all property herein described

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)
6-6-86	6-20-85	705,560.00

MADE IN THE COUNTY OF Klamath

(which would not constitute a lien)

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 \$ 705,560.00 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.

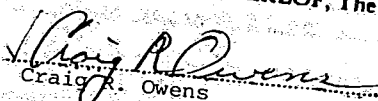
In case of any suit to foreclose this mortgage or to collect any charge growing out of the debt hereby secured, or of any suit which the Mortgagee may deem it necessary to prosecute or defend to effect or protect the lien hereof, the Mortgagors agree to pay a reasonable sum as attorney's fees and all 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.

  
Craig Owens

RETURN THIS RECORDED DOCUMENT TO:  
California Livestock Production  
Credit Association  
P.O. Box 494156  
Redding, CA 96049

(Leave this space blank for filing data)

**ACKNOWLEDGMENT.**

## EXHIBIT A

PARCEL 1: The following described lands all lying North and East of Wood River in T. 34S., R. 7 1/2 E.W.M., Klamath County, Oregon, as follows:

a. The N 1/2 of the SW 1/4 of Section 1 SAVING AND EXCEPTING the following described portion: Beginning at a point on the East line of NE1/4SW1/4 of Section 1 which is 1100.0 feet North of the Southeast corner of the said NE1/4SW1/4 of said Section 1; thence West 800.0 feet; thence South 1100.0 feet to a point on the South boundary of the said NE1/4SW1/4; thence East 800.0 feet to the Southeast corner of the said NE1/4SW1/4; thence North 1100.0 feet to the point of beginning.

b. That portion of the S1/2NE1/4SE1/4 of Section 2 lying North and East of the right of way of State Highway No. 62 being more particularly described as follows: Beginning at a point on the section line common to Sections 1 and 2 which is the Northeast corner of the S1/2NE1/4SE1/4 of said Section 2; thence South 1° 33' East along the said section line 523.5 feet to a point on the Northeasterly right of way boundary of State Highway No. 62; thence North 27° 39' West along said right of way boundary 590.4 feet to a point on the Northerly boundary of the said S1/2NE1/4SE1/4 of Section 2; thence North 89° 54' East 259.9 feet, more or less, to the point of beginning.

PARCEL 2: The following described lands all lying North and East of Wood River in T. 34 S., R. 7 1/2 E.W.M., Klamath County, Oregon, described as follows:

a. All of Section 10 except the piece or parcel of land containing one acre, more or less, and situate in Lot 4 of said Section 10 conveyed to the State of Oregon, State Game Commission, and the easements appurtenant thereto, more particularly described in said conveyance, said excepted parcel of land being described as follows: Commencing at the Northeasterly corner of said Section 10 and running West along the Section line 5,144.2 feet; thence, South 256.0 feet to the true point of beginning of said excepted parcel, which is a point on the Westerly bank of a toe-drain along the Westerly side of said Section 10; thence, South 317.0 feet; thence, West 145.0 feet, more or less, to a point

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## EXHIBIT A--Continued

in the Section line marking the Westerly boundary of said Section 10; thence, North along said Section line 250.0 feet; more or less, to a point in the left or Easterly bank of Wood River; thence, following upstream along said left bank to a point West of said true point of beginning; thence East 31.0 feet, more or less, to the said true point of beginning.

b. The N1/2, the N1/2S1/2, and Lot 2 of Section 11.

c. The NW1/4, except that portion conveyed to the State of Oregon by deed recorded in Vol. 99, page 513, deed records of Klamath County, Oregon; the N1/2SW1/4, the N1/2NW1/4SE1/4, and that portion of the S1/2NW1/4SE1/4, lying Westerly of Crooked Creek of Section 12, except that portion conveyed to State of Oregon by deeds recorded in Vol. 76, page 390, Vol. 120, page 101 and Vol. 120 page 149 deed records of Klamath County, Oregon.

PARCEL 3: A strip of land 50.0 feet in width, over and across the Southeast quarter of Section 3 T. 34 S., R. 7 1/2 E.W.M., Klamath County, Oregon, lying uniformly 20.0 feet in width on the Northeasterly side and 30.0 feet in width on the Southwesterly side of the following described centerline, to-wit: Beginning at a point in the Section line marking the Southerly boundary of the said Section 3, which is the centerline of the County Road known locally as the Hawkins Ranch Road, from which the Southeasterly corner of the said Section 3 bears South 89° 59' East 16.4 feet distant; thence, North 48.3 feet; thence, North 40° 36' West, 304.6 feet; thence, North 88° 34' West, 598.2 feet; thence North 23° 51 1/2' West 1705.8 feet; thence, North 89° 15 1/2' West, 310.0 feet; thence North 81° 37' West, 192.1 feet, thence North 66° 37 1/2' West 209.2 feet; thence, North 28° 56 1/2' West 204.5 feet; thence, North 36° 53 1/2' West 584.7 feet, more or less, to a point in the line marking the Northerly boundary of the said SE 1/4 of Section 3, T. 34 S., R. 7 1/2 E.W.M.

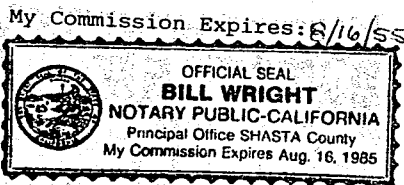
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ACKNOWLEDGMENT  
(Individual)

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State of CALIFORNIA  
County of SHASTA ss  
On this 20<sup>th</sup> day of June, in the year 1985, before me,  
the undersigned Notary Public in and for said County and State, personally  
appeared CRAIG R OWENS  
(☒ personally known to me) (☐ proved to me on the basis of satisfactory  
evidence) to be a person whose name is subscribed in this instrument, and  
acknowledged that they executed it.



Notary Public in and for said  
County and State

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record ..  
this 28th day of June A. D. 19 85 at 11:55 o'clock <sup>A</sup> M., and  
duly recorded in Vol. M85, of Mortgages on Page 9969.

EVELYN BIEHN, County Clerk  
By

Fee: \$21.00