

PRUDENTIAL LOAN NO. 7. 502. 436

ARIZONA-COLORADO-IDAHO-NEW MEXICO
OREGON-UTAH-WASHINGTON

Aspen 32549

Mortgage

This Mortgage, Made this 10th day of November

nineteen hundred and eighty-eight, by and between **HARRIS FARMS, INC., a California corporation, and DAVID E. WOOD, a single man,**

in the State of California, the latter hereinafter called "Mortgagee", hereinafter called "Mortgagee", and

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a corporation of the State of New Jersey, having its principal office at 745 Broad Street, Newark, New Jersey,

hereinafter called "Mortgagee",

WITNESSETH, that Mortgagee, for and in consideration of the sum of TWO MILLION THREE HUNDRED THOUSAND AND NO/100ths (\$2,300,000.00) Dollars,

lawful money of the United States of America, to Mortgagee in hand paid by Mortgagee, the receipt of which is hereby acknowledged, and in order to secure the repayment thereof according to the promissory note hereinafter mentioned

and also to secure the repayment of any further sum or sums advanced or paid by Mortgagee to or for the account of Mortgagee as herein provided, does hereby grant, bargain, sell, convey and confirm unto Mortgagee, its successors and assigns, forever, all the following described real property lying and being in the

County of **Klamath** State of **Oregon**, and described as follows, to wit:

See Exhibit "A" attached hereto and incorporated herein by this reference including the equipment and fixtures situated thereon as set forth on Exhibit "B" attached hereto and incorporated herein by reference.

This Mortgage is intended by the parties to be effective as a financing statement filed as a fixture filing from the date of its recording.

together with all and singular the tenements, hereditaments, rights, easements, privileges and appurtenances thereunto belonging, or in anywise appertaining; and all improvements now or hereafter thereon together with storm and screen windows and doors, gas, steam, plumbing, electric, toilet and other fixtures now or hereafter a part of, or used in connection with any building thereon and together with trellises, pumps, sprinkler systems, pumping stations, motors, engines, reservoirs, pipes and flumes or other equipment now or hereafter used for the production of water thereon or for the irrigation or drainage thereof, and the reversions, remainders, rents, issues and profits thereof, and also hereby releasing and waiving all rights under and by virtue of any homestead, stay, appraisement and exemption laws now in force, or which may hereafter become laws, and together with all the rights to the use of water for irrigating said premises and for domestic use thereon to which Mortgagee, or the premises hereby conveyed, is now or may hereafter become entitled, or which now are or may hereafter be used on said premises; however the same may be evicted, and together with all shares of stock or shares of water in any ditch or irrigation company which in any manner entitles Mortgagee to water for irrigating or domestic purposes upon said premises; all of the foregoing is included in and hereinafter called the "mortgaged property".

TO HAVE AND TO HOLD the said mortgaged property unto Mortgagee, its successors and assigns, forever. And Mortgagee hereby covenants with Mortgagee that Mortgagee is lawfully seized in fee simple of the mortgaged property, that Mortgagee has good right and lawful authority to encumber or sell and convey the same, that the mortgaged property is free from all encumbrances, that Mortgagee shall quietly enjoy and possess the same, and that Mortgagee will forever warrant and defend the title to the mortgaged property unto Mortgagee against any and all lawful claims of all persons whomsoever.

This mortgage secures the payment of the principal sum hereinabove mentioned as the consideration herefor, with interest thereon, according to the tenor and effect of that certain promissory note (and any renewals or extensions or modifications thereof) of even date herewith, the final payment of said principal sum being due and payable on

October 1, 1993; said note, being hereby secured and by reference made a part hereof, is executed and delivered by Mortgagee and is payable to the order of Mortgagee in lawful money of the United States of America at its office in Newark, New Jersey, or at such other place as the holder thereof may designate in writing, and also to secure the repayment of any further sum or sums advanced or paid by Mortgagee to or for the account of Mortgagee as herein provided.

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[illegible][illegible]

And Mortgagor for the consideration aforesaid hereby covenants and agrees to and with Mortgagee, its successors and assigns, as follows: that it may grant the title to the mortgaged interest in the premises or any part thereof to any person whom it may deem proper to sell the same to the highest bidder at a public sale to be held at the office of the Recorder of Deeds for the County of San Diego State of California on the 15th day of January 1998 at the hour of 10:00 o'clock in the forenoon of the day of the sale to be held at the office of the Recorder of Deeds for the County of San Diego State of California and that it may grant the title to the mortgaged interest in the premises or any part thereof to any person whom it may deem proper to sell the same to the highest bidder at a public sale to be held at the office of the Recorder of Deeds for the County of San Diego State of California and that it may grant the title to the mortgaged interest in the premises or any part thereof to any person whom it may deem proper to sell the same to the highest bidder at a public sale to be held at the office of the Recorder of Deeds for the County of San Diego State of California and that it may grant the title to the mortgaged interest in the premises or any part thereof to any person whom it may deem proper to sell the same to the highest bidder at a public sale to be held at the office of the Recorder of Deeds for the County of San Diego State of California and that it may grant the title to the mortgaged interest in the premises or any part thereof to any person whom it may deem proper to sell the same to the highest bidder at a public sale to be held at the office of the Recorder of Deeds for the County of San Diego State of California and that it may grant the title to the mortgaged interest in the premises or any part thereof to any person whom it may deem proper to sell the same to the highest bidder at a public sale to be held at the office of the Recorder of Deeds for the County of San Diego State of California and that it may grant the title to the mortgaged interest in the premises or any part thereof to any person whom it may deem proper to sell the same to the highest bidder at a public sale to be held at the office of the Recorder of Deeds for the County of San Diego State of California and that it may grant the title to the mortgaged interest in the premises or any part thereof to any person whom it may deem proper to sell the same to the highest bidder at a public sale to be held at the office of the Recorder of Deeds for the County of San Diego State of California and that it may grant the title to the mortgaged interest in the premises or any part thereof to any person whom it may deem proper to sell the same to the highest bidder at a public sale to be held at the office of the Recorder of Deeds for the County of San Diego State of California and that it may grant the title to the mortgaged interest in the premises or any part thereof to any person whom it may deem proper to sell the same to

1. To pay unto Mortgagee, its successors and assigns, the indebtedness evidenced by said note together with all instalments of principal and/or interest payable by the terms thereof according to the tenor and effect of said note of even date herewith, and to pay all other sums that may hereafter be or become owing by Mortgagor to Mortgagee as provided for herein, together with interest thereon at the applicable rate set forth in said note or herein specified with respect thereto, in lawful money of the United States of America.

2. To keep the mortgaged property in good condition and repair; to keep in good cultivation the land described in this mortgage; not to commit nor permit any waste on the mortgaged property; to comply with all laws, rules and regulations made by Governmental authority and applicable to the mortgaged property; to keep the mortgaged property free from statutory liens of every kind; and not to do nor to permit to be done anything which shall impair the security by this mortgage created; and to deliver to the mortgagee any and all crops and the proceeds thereof of every type or nature that

31. (a) To pay, before they become delinquent, all taxes, assessments and excises of every type or nature that may be levied, assessed or imposed upon the mortgaged property, or any part thereof, and

(b) To pay, before they become delinquent, all taxes, assessments and excises of every type or nature that may be levied, assessed or imposed upon this mortgage or the interest of Mortgagee hereunder or upon any note or indebtedness secured hereby, notwithstanding any law heretofore or hereafter enacted imposing payment of the whole or any part of the aforesaid taxes, assessments and excises upon Mortgagee, provided however, that the total amount so paid for any such taxes, assessments and excises pursuant to this subparagraph (b) together with the interest payable on said indebtedness shall not exceed the highest lawful rate of interest in the State wherein these mortgaged premises are situated and further provided that in the event of the passage of any law or regulation levying, assessing or imposing any such taxes, assessments or excises referred to in this subparagraph (b), which by reason of the operation of this subparagraph (b) would result in requiring Mortgagee to pay any part of such taxes, assessments or excises, the entire indebtedness secured by this mortgage shall thereupon become immediately due and payable at the option of Mortgagee.

4. To keep the premises insured against loss or damage by fire, the perils against which insurance is afforded by the Extended Coverage Endorsement, and such other risks and perils as Mortgagee in its discretion may require. The policy or policies of such insurance shall be in the form in general use from time to time in the locality in which the premises are situated, shall be in such amount as Mortgagee may reasonably require but in no event for less than the indebtedness from time to time secured hereby, shall be issued by a company or companies approved by Mortgagee, and shall contain the Standard Mortgagee Clause in form satisfactory to, and with loss payable to, Mortgagee. Whenever required by Mortgagee in writing mailed to Mortgagor at Mortgagor's last address known to Mortgagee, such policies shall be delivered immediately to and held by Mortgagee. Any and all amounts received by Mortgagee under any of such policies may be applied by Mortgagee on the indebtedness secured hereby in such manner as Mortgagee may, in its sole discretion, elect or at the option of Mortgagee, the entire amount so received or any part thereof may be released. Neither the application nor the release of any such amounts shall cure or waive any default or Notice of Default hereunder or invalidate any act done pursuant to such Notice. Upon foreclosure hereof or other acquisition of the premises or any part thereof by Mortgagee, such policies shall become the absolute property of Mortgagee.

5. In case of failure to pay aforesaid taxes, assessments and excises required by Mortgagor to be paid before the same become delinquent or any interest or penalty accrues thereon, or to effect aforesaid insurance and deliver the policy or policies as aforesaid, or in case there exists, or shall arise at any time any claim, lien or encumbrance on the mortgaged property, or any part thereof, which is prior to this mortgage, or in case there shall exist at any time during the continuance of this mortgage any statutory lien on the mortgaged property, or any part thereof, Mortgagee may pay such taxes, assessments and excises or effect such insurance, or pay such claim, lien, encumbrance or statutory lien, and the sum or sums so advanced, including cost of evidence of title, shall immediately be due and payable and shall, with interest thereon at the highest legal contract rate of interest per annum from the time of payment, be deemed to be secured hereby.

6. Mortgagee may appear in or defend any action or proceeding at law or in equity, purporting to affect the security hereof, and in such event Mortgagee shall be allowed and paid, and Mortgagor hereby agrees to pay, all costs, charges and expenses, including costs of evidence of title and attorney's fees in a reasonable sum, incurred in any such action or proceeding in which Mortgagee may appear.

7. No saw timber is to be cut or removed from the within described land without the written consent of Mortgagee and when such consent is given Mortgagor agrees to pay to Mortgagee fifty per cent. (50%) of the net proceeds which shall be applied on the indebtedness herein secured.

8. That all judgments, awards of damages and settlements, hereafter made as a result of or in lieu of any condemnation or other proceedings for public use of, or for any damage to, said premises or the improvements thereon and any award for change in grade of streets are hereby assigned and shall be paid to Mortgagee. Mortgagor agrees to execute such further assignments of any such award, judgment or settlement as Mortgagee may require, and to deliver to Mortgagee all proceeds of any such award, judgment or settlement which may be received by Mortgagor. Mortgagee may apply any and all such sums on the indebtedness secured hereby in such manner as it elects or, at its option, the entire amount so received by it or any part thereof may be released. Neither the application nor the release of any such sums shall cure or waive any default.

9. In case of default in the payment of the indebtedness evidenced by said note or any instalment of the said principal sum and/or interest thereon, or any part thereof, or in the repayment of any disbursement authorized by the terms of this mortgage and actually made by Mortgagee, Mortgagee may at once proceed to foreclose this mortgage for the amount due, or in case of default as aforesaid, or in the event of the violation, non-performance or breach of any of the covenants, conditions, agreements or warranties herein or in said promissory note contained, or if Mortgagor shall assign or attempt to assign the rents, issues or profits or any part thereof of the property mortgaged hereby without the written consent of Mortgagee, or in case of the actual or threatened demolition or removal of any building on or to be erected upon the mortgaged property, the entire principal sum of said note hereby secured and the whole amount of all indebtedness owing by or chargeable to Mortgagor under any provision of this mortgage or intended to be secured hereby shall, at the election of Mortgagee, become immediately due and payable without notice although the time expressed in said note for the payment thereof shall not have arrived and suit may immediately be brought without notice to Mortgagor, and a decree be had to sell the mortgaged property, or any part or parts thereof, either together or in parcels, with all and every of the appurtenances, or any part thereof, in the manner prescribed by law, and out of the moneys arising from such sale to repay the said indebtedness including both principal and interest, together with the costs and charges of making such sale and of suit for foreclosure and also the amounts of all sums advanced or paid by Mortgagee to or for the account of Mortgagor, with interest thereon, as herein provided, including such payments of liens, taxes or other encumbrances as may have been made by Mortgagee by reason of the provisions herein given, and the overplus, if any there be, shall be paid by the party making such sale, on demand, to Mortgagor.

10. In case suit or action is commenced to foreclose this mortgage, the court may, upon the motion of Mortgagee,

appoint a receiver to collect the rents and profits arising out of the mortgaged property and to take possession, management and control of the mortgaged property during the pendency of such foreclosure or until payment of the debt hereby secured, and apply the said rents and profits to the payment of the amount due under this mortgage, first deducting all proper charges and expenses attending the execution of said trust.

11. Upon the commencement of any proceedings to collect the indebtedness or disbursements secured hereby, or any part thereof, by foreclosure of this mortgage or otherwise, there shall become due, and Mortgagor agrees to pay, in addition to the costs and charges allowed by law, a reasonable sum as and for an attorney's fee as an additional indebtedness hereunder and under the note secured hereby and it is agreed that this mortgage shall stand as security therefor. It is also agreed that Mortgagor will pay any amount Mortgagee may incur or pay for any abstract or continuation of abstract of title, certificate or insurance of title or other evidence of title subsequent to this date on any of the mortgaged property, and this mortgage shall secure payment thereof.

12. Mortgagor further covenants and agrees, that in the event of a sale of the mortgaged property, or any part or parts thereof, under and by virtue of the provisions of this mortgage, the purchaser or purchasers thereof shall have immediate and peaceable possession of the same and that if Mortgagor remains in possession after the effective date of such sale, such possession shall be construed as a tenancy at sufferance only, giving unto the purchaser all remedies, by way of summary possession or otherwise, conferred by law in such case.

13. That Mortgagor hereby assigns and transfers as additional security to Mortgagee all damages, royalties and revenues of every kind, nature and description whatsoever that Mortgagor may be entitled to receive from any person, company or corporation owning or having or hereafter acquiring a right to the oil, gas or mineral rights and reservations of the premises above described, with the right in Mortgagee to receive and receipt therefor and apply the same to said indebtedness either before or after any default hereunder, and Mortgagee may demand, sue for and recover any such payments but shall not be required to do so.

14. Upon request of Mortgagor, Mortgagee may hereafter, at its option, at any time before full payment of this mortgage, make further advances to or for the account of Mortgagor and any such further advances, with interest, shall be secured by this mortgage and shall be evidenced by an additional note then to be given by Mortgagor to Mortgagee payable on or before the maturity of the indebtedness secured by this mortgage and bearing such other terms as Mortgagee may require; provided, however, that the amount of principal secured by this mortgage and then remaining unpaid, shall not at the time of and including any such advance exceed the original principal sum secured hereby. Mortgagor does covenant and agree to and with Mortgagee to repay Mortgagee all such further advances made as aforesaid with interest, that such further advances and each note evidencing the same shall be secured by this mortgage, and that all of the covenants and agreements in this mortgage contained shall apply to such advances as well as to the original principal sum and all other indebtedness secured hereby; provided, further, that nothing herein contained shall be deemed to affect, impair or limit the right of Mortgagee, without request by Mortgagor, to exercise any rights or powers elsewhere in this mortgage given to protect the security by making advances to pay taxes, assessments, insurance or otherwise, nor shall anything herein contained limit the amount that shall be secured by this mortgage if such amount is increased by advances so made by Mortgagee to protect the security.

15. That, without affecting the liability of Mortgagor or any other person (except any person expressly released in writing) for payment of any indebtedness secured hereby or for performance of any obligation contained herein, and without affecting the rights of Mortgagee with respect to any security not expressly released in writing, Mortgagee may, at any time and from time to time, either before or after the maturity of said note, and without notice or consent:

- Release any person liable for payment of all or any part of the indebtedness or for performance of any obligation.
- Make any agreement extending the time or otherwise altering the terms of payment of all or any part of the indebtedness, or modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien or charge hereof.
- Exercise or refrain from exercising or waive any right Mortgagee may have.
- Accept additional security of any kind.
- Release or otherwise deal with any property, real or personal, securing the indebtedness, including all or any part of the property herein described.

16. The invalidity or inapplicability of any one or more covenants, conditions, agreements, phrases, clauses, sentences or paragraphs of this mortgage shall not affect the remaining portions of the mortgage or any part thereof, and in such event this mortgage shall be construed as if such invalid or inapplicable covenants, conditions, agreements, phrases, clauses, sentences or paragraphs, if any, had not been inserted herein. The covenants herein contained shall bind, and the benefits and advantages hereof shall inure to, the respective heirs, legatees, devisees, executors, administrators, successors and assigns of the parties hereto. Whenever used herein, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders. This mortgage shall be construed to be applicable to and include a corporation or corporations that may be a party or parties hereto. *

17. Upon a full and complete performance of the covenants and agreements herein contained this mortgage shall be null and void, otherwise it shall be and remain in full force and effect.

*Conditions continued on two (2) page rider attached hereto and made a part hereof.

IN TESTIMONY WHEREOF, Mortgagor has set his hand and seal the day and year first above written.
HARRIS FARMS, INC., a California corporation
By: *[Signature]* (SEAL)
President

Signed, Sealed and Delivered
in the Presence of

By: *[Signature]* (SEAL)
Secretary
David E. Wood (SEAL)

On Dec 27
before me, the undersigned,
personally appeared JOHN O. CAVANAUGH
known to me (or proved to me on the basis of satisfactory evidence)
to be the President, and
known to me (or proved to me on the basis of satisfactory evidence)
to be the Secretary of the Corporation that executed the
within instrument on behalf of the Corporation therein named, and
acknowledged to me that such Corporation executed the within
instrument pursuant to its by-laws or a resolution of its board of
directors.

WITNESS my hand and official seal.

Signature

REGINA CAVANAUGH

Name (Typed or Printed)



(This area for official notarial seal)

(Corporation)

21526

STATE OF CALIFORNIA

COUNTY OF FRESNO

SS.

On December 7, 1988

before me, the undersigned, a Notary Public in and for said State, personally appeared JOHN C. HARRIS

known to me (or proved to me on the basis of satisfactory evidence)

to be the President, and

known to me (or proved to me on the basis of satisfactory evidence) to be Secretary of the Corporation that executed the within instrument on behalf of the Corporation therein named, and acknowledged to me that such Corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

Signature

REGINA CAVANAUGH

Name (Typed or Printed)



(This area for official notarial seal)

STATE OF CALIFORNIA

COUNTY OF FRESNO

SS.

On December 7, 1988

before me, the undersigned, a Notary Public in and for said State, personally appeared DAVID E. WOOD

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name is subscribed to the within instrument and acknowledged that he

executed the same.

WITNESS my hand and official seal.

Signature

REGINA CAVANAUGH

Name (Typed or Printed)



(This area for official notarial seal)

ARIZONA - COLORADO
IDAHO - NEW MEXICO - UTAH
OREGON - WASHINGTON
Mortgage

TO
THE PRUDENTIAL INSURANCE
COMPANY OF AMERICA

Office of County
STATE OF
County of

I hereby certify that the within Mortgage was

filed for Record in this office on the

day of A.D. 19

at o'clock M., and was duly recorded

in Book of Mortgages on pages

County

By Deputy

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18. In the event the Mortgagor, without the prior written consent of Beneficiary shall sell, convey, alienate, mortgage or encumber the Mortgaged Premises or any part thereof, or any interest therein or shall be divested of its title or any interest therein in any manner or way, whether voluntary or involuntary, (or in the event of any merger, consolidation or dissolution affecting the Mortgagor or a transfer of a majority interest in the Mortgagor or a transfer of a majority interest in any general partner of any Mortgagor which is a joint venture or general or limited partnership) the entire balance of the indebtedness shall become immediately due and payable at the option of Beneficiary. This provision shall not apply to transfers of title or interest under any will or testament or applicable law of descent.

19. Mortgagor agrees that if, during the existence of this Mortgage, the Mortgagor or any subsequent owner or owners of the property affected by this Mortgage or any part thereof or any interest therein is denied or estopped from receiving irrigation water for use upon said property or any part thereof, because of the ownership of lands in excess of any limitation specified in the Reclamation Act of June 17, 1902, the Omnibus Adjustment Act of May 25, 1926, or The Reclamation Reform Act of 1982, or any act supplementary thereto or amendatory thereof, or any excess land provision of any other law, or, if forfeiture proceedings be commenced because of the ownership of land in excess of any such limitation, or if existing water permits or certificates shall be otherwise revoked or suspended, the Beneficiary may at its option declare the whole indebtedness secured hereby immediately due and payable.

20. Mortgagor hereby waives its rights, if any, to require that the Mortgaged Premises be sold as separate tracts or units in the event of foreclosure.

21. Mortgagor shall constantly maintain and shall not diminish in any respect nor materially alter the Mortgaged Premises including the irrigation system, canals and the permanent plantings. Mortgagor shall plant, cultivate and harvest crops on the Mortgaged Premises in an husbandlike manner as well as maintain all buildings and crop handling facilities in a prudent, businesslike manner.

22. Notwithstanding anything to the contrary contained herein, all sums advanced or paid by Beneficiary to or for the account of Mortgagor as herein provided shall bear interest at the rate of eighteen percent (18%) per annum from the date so advanced or paid until repaid to Beneficiary.

23. In the event a suit or action is commenced to foreclose the Mortgage, Beneficiary shall be entitled to have a receiver appointed to collect the rents and profits arising out of the Mortgaged Premises as a matter of right and without regard to the sufficiency of the security or the danger of loss, removal, or material injury to the Mortgaged Premises; and that Mortgagor expressly consents to the appointment of such a receiver by any court of competent jurisdiction and covenants and agrees that the receiver may remain in possession and control of the Mortgaged Premises during the pendency of such foreclosure or until payment of the indebtedness secured by the Mortgage.

24. Mortgagor will at all times comply with all present and future laws, statutes, regulations, ordinances and requirements of any governmental body relevant to the Mortgaged Premises and Mortgagor's ownership and operation of the Mortgaged Premises, including without limitation all laws, statutes, ordinances and regulations, whether federal, state or local, regarding the use, storage, application, handling, mixing, preparation, treatment or disposal of all insecticides, pesticides, herbicides and other toxic, hazardous or dangerous materials, or the containers in which they are shipped, handled or stored, on or about the Mortgaged Premises. Any breach of this provision by Mortgagor will be deemed a default under the Mortgage and Beneficiary will be entitled to exercise all rights granted by the Mortgage in the event of a default by Mortgagor or otherwise available at law or in equity including, without limit, the foreclosure of its lien on all or some of the Mortgaged Premises, expressly reserving the right to exclude from such foreclosure any portions thereof which are or have become contaminated by or with toxic hazardous materials.

Upon request of Beneficiary, Mortgagor shall periodically perform, and provide Beneficiary with the result of environmental inspection or audits.

If at any time, levels of contamination exceed any relevant standard established by applicable laws and regulations, Mortgagor shall promptly correct the problem. Mortgagor shall promptly provide Beneficiary with copies of all notices received from any federal, state or local governmental agency with regard to the possible or actual violation of a statute that would be a violation of this condition.

Mortgagor will indemnify and hold Beneficiary harmless from and against any and all loss, cost, damage, expense or liability it may suffer as a result of a breach of this provision by Mortgagor, any agent or employee of Mortgagor or any predecessor or successor in interest of Mortgagor with respect to the Mortgaged Premises.

Beneficiary will have the right during the term of the Mortgage to enter the Mortgaged Premises for purpose of inspection thereof to insure compliance with this condition and any other term or condition of the Loan.

This rider, attached to and forming a part of a Mortgage for \$2,300,000.00, dated 10th day of November, 1988, is identified therewith by the following signatures:

HARRIS FARMS, INC., a California corporation

By: 

President

By: 

Secretary

David E. Wood

EXHIBIT "A"

PARCEL 1:

In Township 32 South, Range 7 1/2 East of the Willamette Meridian, in the County of Klamath, State of Oregon:

- Section 32: The South 550 feet of the SE 1/4; The South 550 feet of the SE 1/4 SW 1/4
- Section 33: The South 550 feet of the SW 1/4; The South 550 feet of the SW 1/4 SE 1/4 and All the SE 1/4 SE 1/4
- Section 34: All that portion of the SW 1/4 and the SW 1/4 SE 1/4 lying Westerly of the following described line:

Beginning at a point on the South line of the SW 1/4 SE 1/4 of said Section 34, said point being 2578.0 feet North and 2239.1 feet West of the quarter corner common to Sections 2 and 3, Township 33 South, Range 7 1/2 East of the Willamette Meridian; thence along said line North 32 degrees 41' West, 189.5 feet; thence North 44 degrees 24' West, 413.0 feet more or less to a point on the West line of said SW 1/4 SE 1/4; said point also being 2232.7 feet South and 2693.3 feet East of the quarter corner common to Sections 33 and 34, Township 32 South, Range 7 1/2 East of the Willamette Meridian; thence North 40 degrees 16' West, 261.6 feet; thence North 44 degrees 21' West, 124.6 feet; thence North 57 degrees 07' West, 99.7 feet; thence North 47 degrees 58' West, 76.5 feet; thence North 40 degrees 56' West, 191.3 feet; thence North 36 degrees 35' West, 186.8 feet; thence North 33 degrees 07' West, 98.3 feet; thence North 26 degrees 13' West, 82.2 feet more or less to a point on the North boundary of the SE 1/4 SW 1/4, said point being 1388.2 feet South and 1970.0 feet East of the quarter corner common to Sections 33 and 34, said Township and Range; thence North 10 degrees 40' West, 102.1 feet; thence North 20 degrees 39' West, 227.6 feet; thence North 39 degrees 26' West, 397.4 feet; thence North 47 degrees 59' West, 334.7 feet more or less, to a point on the West boundary of the NE 1/4 SW 1/4, said point being 543.9 feet South and 1369.7 feet East of said quarter corner between Section 33 and 34; thence North 37 degrees 07' West, 188.6 feet; thence North 33 degrees 09' West, 130.5 feet; thence North 26 degrees 13' West 324.7 feet, more or less, to a point on the North boundary of the NW 1/4 SW 1/4, said point also being 7.1 feet North and 1041.1 feet East of the quarter corner common to Sections 33 and 34, Township 32 South, Range 7 1/2 East of the Willamette Meridian.

Continued on next page

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WLB

EXHIBIT "A"

In Township 33 South, Range 7 1/2 East of the Willamette Meridian, in the County of Klamath, State of Oregon:

Section 3:

Government Lots 2, 3, 4, 5, 6, 7, 8, 11, 12, 13, 14, 15, 16, 17 and 18, EXCEPTING THEREFROM all that portion of Lots 2, 7, 8 and 11, lying Easterly of the following described line:

Beginning at a point on the South boundary of said Lot 8, said point being 43.9 feet South and 1004.3 feet West of the quarter corner common to Sections 2 and 3, said Township and Range; thence North 20 degrees 48' West, 120.0 feet; thence North 25 degrees 30' West 191.4 feet; thence North 5 degrees 04' West, 129.0 feet; thence North 1 degree 19' East, 134.7 feet; thence North 9 degrees 38' West, 163.2 feet; thence North 18 degrees 16' West, 223.0 feet; thence North 28 degrees 06' West, 256.7 feet; thence North 36 degrees 37' West, 233.0 feet; thence North 38 degrees 08' West, 207.5 feet; thence North 44 degrees 36' West, 200.8 feet; thence North 26 degrees 20' West, 186.0 feet; thence North 49 degrees 19' West, 173.6 feet; thence North 23 degrees 06' West, 173.8 feet; thence North 14 degrees 49' West 360.6 feet; thence North 27 degrees 37' West, 217.7 feet, more or less to a point on the North boundary of said Lot 2, Section 3, Township 33 South, Range 7 1/2 East of the Willamette Meridian.

AND FURTHER EXCEPTING THEREFROM all that portion of Lots 17 and 18 of said Section 3, more particularly described as follows:

Beginning at the Southeast corner of Lot 19, being the corner common to Lots 17, 19, 24 and 25; thence North along the East line of Lot 19 and its Northerly extension thereof to the center thread of the Wood River; thence Easterly and Southerly upstream along said center thread to the East line of Lot 18; thence South along said East line to the Southeast corner of Lot 18; thence West along the South line of Lot 18 and the most Southerly line of Lot 17 to the point of beginning.

Section 4:

Government Lots 1 through 19, both inclusive and Lots 22 and 23

Section 5:

Government Lot 3; SE 1/4 NW 1/4; All that portion of the SW 1/4 lying Northerly of the State Highway; The SE 1/4

Section 9:

Government Lot 7, EXCEPTING THEREFROM any portion of said Lot 7 described in Deed recorded May 5, 1932 in Book 97 at page 412, Deed Records of Klamath County, more particularly described as follows:

Beginning at the Southeast corner of Lot 7; thence North along the East line thereof, 574 feet; thence West 524 feet to the County Road; thence Southeasterly along the Easterly line of said County Road to the Southerly line of Lot 7; thence East along said Southerly line to the point of beginning.

YDK
ut3

EXHIBIT "A"

ALSO EXCEPTING THEREFROM any portion of the above described tract lying Westerly of the Easterly right of way of the State Highway.

All that portion of Government Lot 12 described as follows:

Beginning at the Southeast corner of said Lot 12; thence North 0 degrees 20' East, along the Easterly line thereof, 594.88 feet to the centerline of the Wood River Ditch; thence South 35 degrees 44' West along said centerline, 648.78 feet to the Easterly right of way of the Crater Lake Highway; thence South 18 degrees 26' East, along said right of way, 85.80 feet to the Southerly line of Lot 12; thence along said Southerly line North 89 degrees 42' East, 348.48 feet to the point of beginning.

Government Lot 13; EXCEPTING THEREFROM any portion of said Lot 13 described as follows:

Beginning at the Northwest corner of said Lot 13; thence South 0 degrees 20' West along the West line thereof, 729.30 feet to the centerline of the Wood River Ditch; thence North 37 degrees 37' East along said centerline, 914.76 feet to the North line of Lot 13; thence South 89 degrees 46' West along said North line 559.68 feet to the point of beginning.

Section 10: Government Lots 20 and 21 and all that portion of Government Lot 22 lying Westerly of the Westerly right of way of the State Highway

Section 15: Government Lots 2, 9, 10, 14, 15, 16, 17 and 18, EXCEPTING THEREFROM any portion of the above described lots lying Easterly of the Westerly right of way of the State Highway

The E 1/2 W 1/2 SW 1/4 SE 1/4; The E 1/2 SW 1/4 SE 1/4

Section 16: Government Lot 5

Section 22: The E 1/2 W 1/2 W 1/2 NE 1/4; The E 1/2 W 1/2 NE 1/4; EXCEPTING THEREFROM that parcel of land described in Warranty Deed recorded June 13, 1960 in Book 322 at page 55, Deed Records; ALSO LESS AND EXCEPT any portion of the W 1/2 NE 1/4 of said Section lying Southerly of the State Highway

EXCEPTING THEREFROM any portion of all the above described parcels of land lying within the rights of way of State Highway #62, State Highway #232 and County road #624 (Dixon Road)

Note: Where the context of the above described requires, the lottings refer to those shown on Government Land Office Special Plat of the Fort Klamath abandoned Military and Hay Reservations in Township 33 South, Range 7 1/2 East of the Willamette Meridian approved by the Surveyor General's Office May 22, 1901.

WLB

EXHIBIT "A"

PARCEL 2:

In Township 33 South, Range 6 East of the Willamette Meridian,
in the County of Klamath, State of Oregon:

Section 23: E 1/2 SE 1/4 SE 1/4; and the E 1/2 W 1/2 SE 1/4
SE 1/4

Section 25: All

Section 26: E 1/2 NE 1/4 NE 1/4; E 1/2 W 1/2 NE 1/4 NE 1/4;
SE 1/4 NE 1/4; NE 1/4 SE 1/4 and the S 1/2 SE 1/4

Section 36: E 1/2 NW 1/4

In Township 33 South, Range 7 1/2 East of the Willamette
Meridian, in the County of Klamath, State of Oregon:

Section 30: SE 1/4 NW 1/4; E 1/2 SW 1/4; NE 1/4 NW 1/4 and
Government Lots 1, 2, 3 and 4

WCS

EXHIBIT "B"


IRRIGATION EQUIPMENT:

All of the irrigation, drainage and frost protection equipment located or situated upon the real property subject to the Mortgage, all of which is hereby deemed to be fixtures and considered a part of the real estate, the present equipment, including all castings, pipes and connections and other equipment used in connection therewith, together with any and all allied equipment and all properties of like kind hereafter and during the life of the Mortgage acquired by the mortgagor by purchase, or by exchange or substitution of the above described equipment.

PERSONALTY:

- 1 Fairbanks 15 Ton Scale, Serial No. S.S. #8184C

WATER RIGHTS, CERTIFICATES, PERMITS AND CONTRACTS

- 1) Recorded in State Record of Water Right Certificates, Volume 10, page 10,902 in favor of R. S. Dixon. Right confirmed 1895.
 - 2) Recorded in State Record of Water Right Certificates, Volume 10, page 10,906 in favor of Lizzie Leever. Right confirmed 1895.
 - 3) Recorded in State Record of Water Right Certificates, Volume 10, page 10,903 in favor of Jos. V Hessig and J. H. Hessig. Right confirmed 1895.
 - 4) Recorded in State Record of Water Right Certificates, Volume 2, page 1,085 in favor of L. A. Brannan. Right confirmed November, 1898.
 - 5) Recorded in State Record of Water Right Certificates, Volume 2, page 1,090 in favor of E. Denton and referring to Tract No. 2 only. Right confirmed 1904.
 - 6) Recorded in State Record of Water Right Certificates, Volume 2, page 1,093 in favor of Henry Gorden. Right confirmed 1902 for Tract #1, 1907 for Tract #2, 1892 for Tract #3.
 - 7) Water Right Permit #228, recorded in State Record of Water Right Certificates, Volume 2, page 1,265 in favor of Anna Fordyce.
 - 8) Water Right Permit #6981 in favor of Wood River Dist. Improvement Co. and effecting lands secured by proposed mortgage.
 - 9) Water Right Permit #8312 in favor of R. S. Dixon. Recorded in State Record of Water Right Certificates, Volume 8, page 7,834.
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- 10) Abstract of Permit No. 8565, Application No. 12215, Certificate No. 7899, E. S. Turner, Priority date July 21, 1928.
- 11) Abstract of Permit No. 9122, Application No. 12505, Certificate No. 10056, Gary V. Loosley, Priority date August 31, 1928 for 2.25 c.f.s. and January 15, 1929 for 2.49 c.f.s.
- 12) Abstract of Permit No. 9179, Application No. 12343, Certificate No. 8261, S. C. Miller, Priority date September 25, 1928
- 13) Abstract of Permit No. 23668, Application No. 28990, Certificate No. 29201 Loren Miller Company, Priority date February 1, 1954
- 14) Abstract of Decree Vol. 11 P. 496, Certificate No. 10907, Loosley, Cary V., Priority date 1890
- 15) Abstract of Decree Vol. 11 P. 499, Certificate No. 10918, S. C. Miller, Priority date 1891
- 16) Abstract of Decree Vol. 11 P. 499, Certificate No. 10919, S. C. Miller, Priority date 1891
- 17) Abstract of Decree Vol. 11 P. 499, Certificate No. 10920, S. C. Miller, Priority date 1891
- 18) Abstract of Decree Vol. 11 P. 499, Certificate No. 10921, S. C. Miller, Priority date 1898
- 19) Abstract of Decree Vol. 11 P. 500, Certificate No. 10923, Northwestern National Bank of Portland, Priority date 1890
- 20) Abstract of Decree Vol. 11 P. 500, Certificate No. 10924, Northwestern National Bank of Portland, Priority date 1898
- 21) Abstract of Decree Vol. 11 P. 501, Certificate No. 10926, E. S. Turner, Priority date 1891

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title Co. the 20th day
 of Dec. A.D. 19 88 at 8:30 o'clock A.M., and duly recorded in Vol. M88
 of Mortgages on Page 21523

Evelyn Biehn County Clerk

By Pauline M. Millendore

FEE \$63.00

JB
12/20