

After Recording Return To:  
FCS-Klamath Falls, Credit  
P.O. Box 148  
Klamath Falls, Oregon 97601

CIF/Note No. 22655-301

### MORTGAGE MODIFICATION AGREEMENT

THIS AGREEMENT made this 22 day of April, 1993, is by and between Farm Credit Bank of Spokane, successor in interest to The Federal Land Bank of Spokane, a corporation, with its principal place of business in the city of Spokane, State of Washington (hereinafter "Mortgagee") and Circle 5 Ranch, Inc., an Oregon corporation; Louis Randall, same person as Louis E. Randall and Marien Randall, same person as Marien R. Randall, husband and wife; Deborah R. Kness, same person as Debra R. Kness, unmarried, whose mailing address is 45850 Gerber Rd., Bonanza, Oregon 97623, (hereinafter "Mortgagor") and Hainsville Cattle Company, a partnership consisting of Louis E. Randall and Marien Randall, husband and wife; Deborah R. Kness, unmarried; John K. Aspell and Catherine Aspell, Trustees of the John K. and Catherine Aspell Family Trust, whose mailing address is Route 1, Box 69A, Bonanza, Oregon 97623 (hereinafter "Additional Mortgagor").

WHEREAS, Mortgagor originally executed a mortgage to Mortgagee dated May 2, 1973, recorded May 30, 1973 in Vol. M73 of Mortgages at page 6520, records of Klamath County, Oregon, and mortgage dated October 31, 1973, recorded April 5, 1974 in Vol. M74 of Mortgages at page 4180, records of Klamath County, Oregon.

WHEREAS, the original mortgage dated May 2, 1973, had attached thereto and made a part of said mortgage a Grazing Rider No. 1 covering grazing privileges in Fremont National Forest for 200 head of cattle.

WHEREAS, Additional Mortgagors referenced herein have purchased or otherwise acquired an interest in the real property described in the above referenced mortgage by executing a Contract of Sale on October 22, 1992.

WHEREAS, the allotment for grazing privileges in the Fremont National Forest has been increased from 200 head of cattle to 534 head of cattle.

WHEREAS, the Grazing Rider No. 1 requires consent of Mortgagee as a condition to transfer of any of the Mortgagor's interest in the property or the grazing privileges. This Agreement is intended to memorialize the consent to the transfer by the Mortgagee and other matters as stated below.

NOW, THEREFORE, the parties agree as follows:

1. This Loan Modification Agreement pertains to real property as described on Exhibit A attached hereto and made a part hereof.
2. Except as expressly stated herein, all terms and conditions of the prior mortgages referenced above and all other loan documents executed in conjunction with said mortgage, debt instruments or prior agreements of restructure shall remain in full force and effect.
3. Mortgagee hereby consents to the transfer of the Mortgagor's interest in the real property described in Exhibit A, including transfer of the grazing privileges. This consent is not intended and shall not be construed as a release of liability of Mortgagors for repayment of the indebtedness secured by any of the loan documents nor shall this consent be construed as a commitment of Mortgagee to provide future and/or other consents to transfer any interest.
4. In consideration for such consent Additional Mortgagor agrees to execute a new Escrow Waiver of Term Grazing Permit Privileges covering 534 head of cattle upon the Fremont National Forest in favor of Mortgagor.

5. Additional Mortgagors agree to perform and comply with each and every covenant, condition and requirement contained within the May 2, 1973 mortgage, including, without limitation, the Grazing Rider No. 1 attached to and made a part thereof. Provided, this Agreement and consent to comply with the terms of said Mortgage and Grazing Rider No. 1 is not intended and shall not be construed as an assumption of liability by Additional Mortgagor for payment of the indebtedness of Mortgagor to Mortgagee, with the exception of Deborah R. Kness, who has assumed personal liability in accordance with the terms of that certain Loan Modification Agreement between the parties dated December 1, 1992.
6. Mortgagor and Additional Mortgagor acknowledge and agree that a default caused by one or the other of the parties shall be considered by Mortgagee as a default under all documents evidencing and securing the promissory note dated May 2, 1973, as modified by Loan Modification Agreement dated December 1, 1992, and any other modification or amendment thereto.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

Circle Five Ranch, Inc.

By: Louis Randall  
Louis Randall, President

Attest: Deborah R. Kness  
Deborah R. Kness, Secretary

Louis Randall  
Louis Randall

Marren Randall  
Marren Randall

Deborah R. Kness  
Deborah R. Kness

Hainsville Cattle Company

By: Louis Randall  
Louis Randall, a partner

By: Marren Randall  
Marren Randall, a partner

By: Deborah R. Kness  
Deborah R. Kness, a partner

By: John K. and Catherine Aspell Family Trust,  
a partner

By: John K. Aspell  
John K. Aspell, Trustee

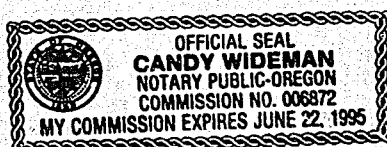
By: Catherine Aspell  
Catherine Aspell, Trustee

FARM CREDIT BANK OF SPOKANE,  
Successor by Merger to The Federal Land  
Bank of Spokane

By: Ray W. Adair  
Authorized Agent

STATE OF OREGON           )  
  ) ss.  
County of Clatsop

On this 22 day of April, 1993, before me personally appeared Louis Randall and Deborah R. Kness, known to me to be the President and Secretary, respectively, of the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same as its free act and deed; and each on oath stated that they were authorized to execute said instrument.



Candy Wideman  
Notary Public for the State of Oregon  
Residing at 11053 Burnside  
My commission expires 6-22-95

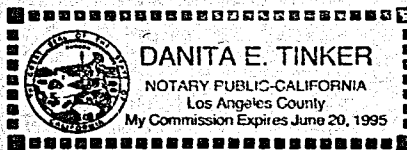
S State of California } ss.  
County of Los Angeles

C On May 11, 1993, before me, Danita Tinker  
a notary public in and for said state, personally appeared John K. Aspell  
C and Catherine Aspell personally known to me (or proved to me on the  
I basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and  
T acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/  
t their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the  
S instrument.

Witness my hand and official seal.

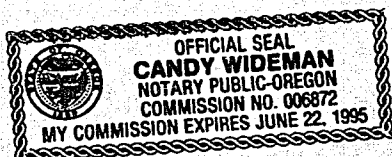
Notary Public

S-0260 (Rev. 8/91)



STATE OF OREGON )  
 ) ss.  
County of Klamath

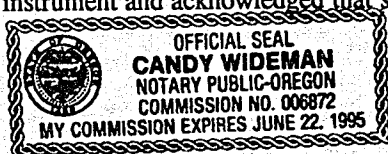
On this 22 day of April, 1993, before me personally appeared  
Louis Randall and Marie Randall, husband and wife, to me known to be the persons described  
in and who executed the within instrument and acknowledged that they executed the same as  
their free act and deed.



Candy Wideman  
Notary Public for the State of Oregon  
Residing at 11053 Brennan Dr.  
My commission expires 6-22-95

STATE OF OREGON )  
 ) ss.  
County of Klamath

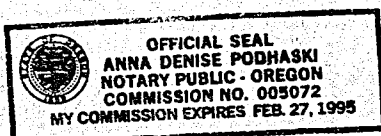
On this 22 day of April, 1993, before me personally appeared  
Deborah R. Kness, to me known to be the person described and who executed the within  
instrument and acknowledged that she executed the same as her free act and deed.



Candy Wideman  
Notary Public for the State of Oregon  
Residing at 11053 Brennan Dr.  
My commission expires 6-22-95

STATE OF OREGON )  
 ) ss.  
County of Klamath

On this 14 day of May, 1993, before me personally appeared  
CRAIG W. CRIDER, to me known to be an authorized agent of the Farm  
Credit Bank of Spokane, successor by merger to The Federal Land Bank of Spokane, the  
corporation that executed the within instrument, and acknowledged to me that such corporation  
executed the same as its free act and deed; and on oath stated that he/she was authorized to  
execute said instrument.



Anna Denise Podhaski  
Notary Public for the State of Oregon  
Residing at KLAMATH FALLS  
My commission expires 2/27/95

## EXHIBIT A TO MORTGAGE MODIFICATION AGREEMENT

Township 39 South, Range 13 East of the Willamette Meridian:  
Section 31: NE1/4NW1/4 and SE1/4NW1/4,  
Situate in the County of Klamath, State of Oregon

Initials: OK, ER, JKA, AK

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Farm Credit Service the 10th day  
of June A.D., 19 93 at 3:58 o'clock P.M., and duly recorded in Vol. M93,  
of Mortgages on Page 13536.

FEE \$25.00

Evelyn Biehn County Clerk

By Caroline Millendore