

**RM/
NW**

MARKET MAKERS
IN REAL ESTATE

REAL ESTATE AUCTION

LENDER ORDERS \$1.7 MILLION DOLLAR PRICE REDUCTION!

ROCK'N LB RANCH - 458± ACRES

CHILOQUIN, OREGON

**Premier Sportsman Ranch with 1.9± Miles of Private Sprague River Frontage
in Heart of Upper Klamath Basin and Pacific Flyway**

Five Bedroom Main Residence, Caretaker Home, Shop, Horse Barn and 296± Acres of Irrigated Pasture with Well-Established Water Rights. Riverfront and Habitat Enhancement Program Completed in Partnership with U.S. Fish & Wildlife Service.



SEALED BIDS DUE November 29, 2011

R E A L T Y M A R K E T I N G / N O R T H W E S T

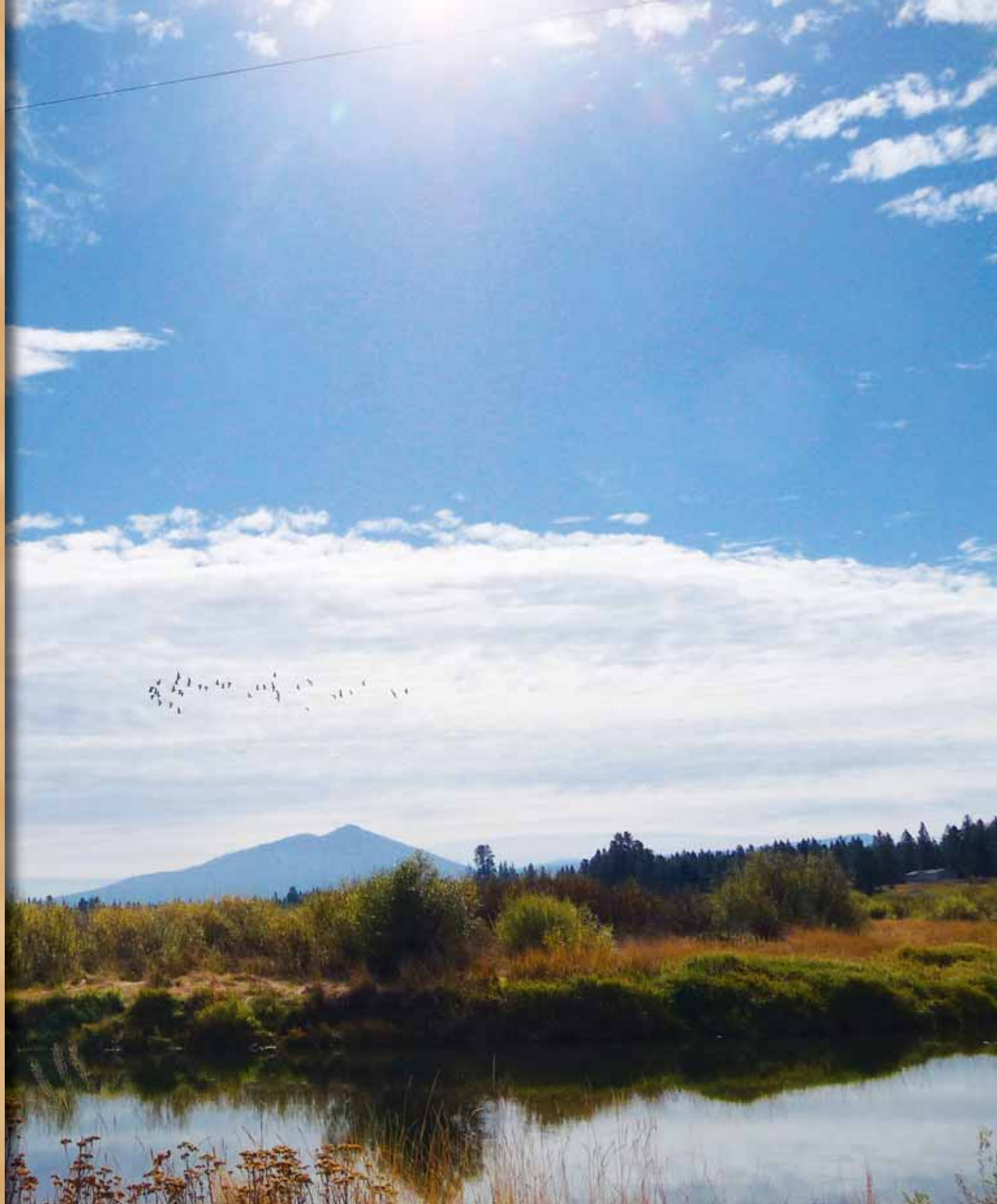
Rock'n LB Ranch

THE OPPORTUNITY

The Rock'n LB Ranch* has been acquired by the lender who has ordered a price reduction of \$1,725,000 to accelerate a sale by year-end, providing unprecedented value for purchase of a 458± acre sportsman ranch with two homes, shop, horse barn and 296± acres of irrigated pasture, and 1.9± miles of private river frontage within the heart of the Upper Klamath Basin and Pacific Flyway.

A Published Reserve Price of \$1,225,000 has been established for the Sealed Bid Auction to purchase the Ranch in either its entirety, or with the option for bids to be submitted on two individual parcels. Parcel A – 299± acres with 1.5± miles of riverfront and all Ranch improvements for \$975,000 and Parcel B – 158± acres with meadow, building site for a private residence and .4 mile of river frontage for \$250,000. The sale of either Parcel A or B is subject to combined accepted bids, in the aggregate, to equal or exceed \$1,225,000.

*The Rock'n LB Ranch is a registered brand. The name is personal property and will not be conveyed as part of the sale.



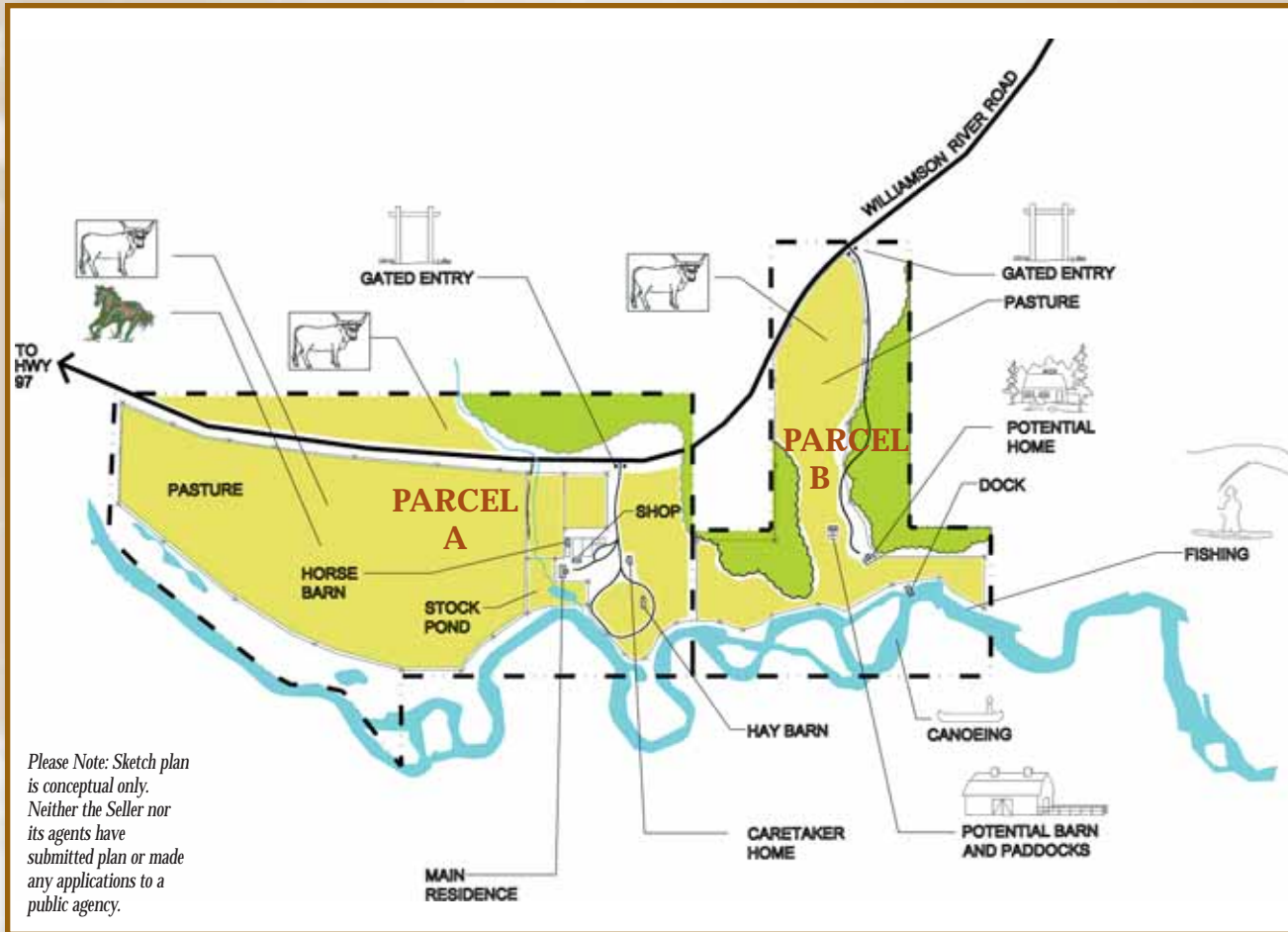


Rock'n LB Ranch is one of the rare private riverfront properties along the main stem of the Sprague River, known for rainbow and brown trout, having a spectacular setting with well-developed ranch complex in combination with established dated water rights, providing options for both cattle and horse operations. In addition, a riparian and riverfront habitat enhancement program has been completed in partnership with U.S. Fish & Wildlife Service, at a cost of over \$250,000, adding significant long-term recreation value to the entire property.

The Ranch has a strategic location with year-round access to all four season recreation activities in the Upper Klamath Basin and Pacific Flyway, is within a 45-minute drive of the Klamath Falls Airport and 15-minute drive of the Chiloquin Airport, which can accommodate small aircraft.

See Supplemental Information Package for detailed property outline and location of irrigation pumps.





Acquisition of Rock'n LB Ranch provides a new owner with outstanding value and opportunity for use as a private sportsman retreat, development of equestrian facilities or operation as a commercial hunting and fishing base camp.

PRICE

A Published Reserve Price has been established by the Seller for Rock'n LB Ranch in its entirety at \$1,225,000. The sale of either Parcel A at \$975,000 or Parcel B at \$250,000 is subject to combined accepted bids in the aggregate to equal, or exceed, \$1,225,000. Seller has the option to accept either the highest bulk bid, or individual bids, at or above the Published Reserve Price.

FINANCING

None - All Cash. Financing from Northwest Farm Credit Services may be available for qualified parties (see Supplemental Information Package for details).

INSPECTIONS

Locked Gate - Call Auction Information Office to Schedule Appointment on:

Wednesday, October 26, 12:00 pm to 3:00 pm

Friday, November 18, 12:00 pm to 3:00 pm

Saturday, November 26, 12:00 pm to 3:00 pm



Left: View of Saddle Mountain from Parcel B

Right: View of Sprague River from main residence



View northeast of Ranch

RANCH AND IMPROVEMENTS

The 458± acre Rock'n LB Ranch is located in the Upper Klamath Basin, 14 miles east of Upper Klamath Lake along a meandering main stem of the Sprague River, within a wide-open valley of primarily private ranches surrounded by Winema National Forest. The Sprague River is a tributary to the Williamson River and known as a "meadow stream" with brook, rainbow and brown trout, and bass. Near a spring on the Sprague River in the southeast corner of the Ranch is an outstanding fishing hole. The Ranch is at an elevation of 4,200± to 4,300± feet and has frontage along Williamson River Road, with paved year-round access to Chiloquin and Highway 97 north to Bend and south to Klamath Falls.

The riverfront extends along the entire southern boundary of the Ranch, with ownership of both riverbanks in the southeast section of the property, including small islands between the river and channel.

The property is primarily rolling to flat pastureland lined with timber, having an estimated 296± acres of irrigated pasture and 151± acres of non-irrigated pasture and timberland. Ranch headquarters are located on 10± acres along a ridge top overlooking the Sprague River, with gated paved entry drive to the caretaker residence, corrals, horse pen and main residence, shop and horse barn. The main residence was built in 1973, caretaker residence constructed in 2005 and horse barn and shop built during the last ten years. There is a stock pond below the main residence near the river and a second stock pond in the northwest corner of the western pasture.

Williamson River Road runs along the northern portion of the Ranch; the entire property is fenced, with opportunity for cross-fencing to improve productivity of the pastureland.

The estimated carrying capacity of the Ranch is 250 head for five to six months for summer pasture, and has historically run 180 head on a year-round basis with winter feed.

The 296± acres of pasture are flood irrigated from a main line, with three pumping stations along the Sprague River.

There is a rock road system that provides access from the main entry road to the riverfront which extends from the area below the main residence by the stock pond and pumping station, and then goes east to the southeast corner and the third pumping station.

The Ranch is being offered in two parcels. Parcel A is 299± acres, all located in Section 24 (Tax Lots 2000 and 2100) and includes the Ranch complex with two homes, shop, horse barn and hay shed, and an estimated 235± acres of irrigated pasture with 1.5± miles of riverfront. Parcel B is 158± acres, all located in Section 19 with an estimated 60± acres of irrigated pasture and .4± mile of riverfront. The sale of these two parcels as separate parcels will require an allocation of water rights and some reconfiguration of the irrigation system's mainline. A new entry road for Parcel B will need to be developed from Williamson River Road.

Main Residence

The two-level, 3,360± square foot, five bedroom, three bathroom home has a spectacular setting on a ridge, with views to both the west, and southwest, to the Sprague River. The main level has a living room with rock hearth fireplace, dining area and kitchen with access to a large wraparound deck. There is an office, full bathroom, bedroom and master suite with access to the wraparound deck plus outdoor hot tub.

The lower level is a daylight basement and has a large recreation room with bar and sunken rock fireplace. There is access to an outdoor patio with views of the Sprague River. The lower level has a pool room with pine paneling, full bathroom and two additional bedrooms.

The home has a metal roof and cedar siding. The prior owner had updated two of the bathrooms and remodeled all bedrooms and the pool room. The kitchen has not been fully updated. Heat is electric baseboard. The home has a carport.

None of the furnishings or personal property are part of the sale.

Caretaker Residence

The 2,263± square foot home with three bedrooms was built in 2005 and has an attached two-car garage. The one level home is located between the main residence and entry drive, with views to the southeast of the Sprague River and Saddle Mountain. There is a living room with fireplace, kitchen, family room, and master suite, all with access to a rear deck. There are two and a half bathrooms, and a utility room. Heat is electric forced air. The home has a metal roof and bat and board siding. It is currently occupied by the caretaker and his family, who are interested in remaining as caretaker under the new owner.

Shop

The 3,479± square foot shop is located by the main residence and has a concrete floor with four overhead doors and two bays. There is 220 voltage power to the shop. There is a small workshop off one of the bays. There is covered outdoor storage for firewood and equipment. None of the equipment or personal property is part of the sale.



Left: Main residence with daylight basement

Below: Gated entry drive from Williamson River Road

Bottom left: Living room in main residence

Bottom center: Kitchen in main residence

Bottom right: A bedroom in the main residence

NOTE: None of the furnishings or personal property are part of the sale



Left: Pool room
in main residence



Right:
3 bedroom, 2.5
bath caretaker
residence



Left: Horse barn
and corral



Right: Shop near
main residence



Left: Horse pen
and corrals



Right: Hay shed
and irrigation
equipment



Horse Barn

The horse barn was built from a building kit and is located near the shop, and has a metal frame and concrete foundation. There are five horse stalls with dirt floor, each having water and an exterior door leading to the corral. The barn has a tack room and storage areas.

Hay Shed

The 5,760± square foot hay shed is located between the caretaker residence and Sprague River. It is a pole-frame building, with metal roof and gravel floor.

WATER RIGHTS

(see Supplemental Information Package for Copy of Certificates)

Water rights are from a claim on the Sprague River with an 1864 priority right. Claim #75 is for 7.42 cfs, with priority date 10-14-1864 for 296.6 acres. Certificate #36515 is for 4.92 cfs, with priority date 7-05-1962 for 196.7 acres. Water rights from Certificate #36515 are covered in Claim #75.

IRRIGATION

Rock'n LB Ranch has three pump stations along the Sprague River which pump irrigation water through a mainline to the fields, including the Bull Pen Field north of the Williamson River Highway. A new pump and intake screen were installed in the southeast corner of the Ranch as part of the Riverfront Habitat Conservation Program with U.S. Fish & Wildlife. There is flood irrigation on the larger western pastureland, with a 640 foot wheeline with five foot wheels and four foot pipe with approximately 2,200 feet of 6" mainline currently located on the eastern pastureland, near the hay shed.

GRAZING LEASES

There are no grazing leases. Existing livestock will be removed prior to close of escrow.

CONSERVATION PARTNERSHIP WITH U.S. FISH & WILDLIFE SERVICE

The Rock'n LB Ranch has been a partner with U.S. Fish & Wildlife Service and Oregon Watershed Enhancement Board in a program along the 1.9 miles of Sprague River frontage to improve water quality and enhance habitat for the endangered Lost River and Shortnose Sucker fish, as well as the threatened Cutthroat trout. Over \$250,000 in public funds has been invested in straightening and steepening the Sprague River Channel through placement of wedges in the three meander bends along the Ranch riverfront. Placement of wedges using rocks and logs, installation of diversion pipes, relocation and replacement of water pumps and plantings and re-vegetation of riparian banks has all been completed. Additionally, Rock'n LB Ranch has installed fencing to keep livestock out of the river channel in order to assist in the water and riparian enhancement project, and has signed an agreement allowing U.S. Fish and Wildlife to monitor the enhancement project until 2021. (See agreement in Supplemental Information Package.)

ZONING

The entire Ranch is zoned EFU-CG – Exclusive Farm Use Commercial Grazing.

UTILITIES

There is both power and phone service to the Ranch, and on-site septic and wells serve the two residences.

TAXES

Total taxes for 2011-2012 are \$4,147. The property is assessed as Farmland by Klamath County Assessors Office.



Left: Rock wedges have enhanced the habitat along main Sprague River channel and provide access to small island

Right: Some renovations have been undertaken at main residence



Left: Entire Ranch is fenced

Right: Estimated carrying capacity is 250 head for summer pasture

LOCATION and DIRECTIONS

10550, 10560, and 10570 Williamson River Road. Township 34 South, Range 8 East, Section 24, Tax Lots 2200 and 2100 and Township 34 South, Range 9 East, Section 19, Tax Lots 300 and 900. From Highway 97, take Chiloquin Exit and proceed to Sprague River Highway. Go east five miles to Williamson River Road. Turn left and proceed five miles to Ranch entry gate at 10560 Williamson River Road.

TERMS AND CONDITIONS OF AUCTION #1108

REALTY MARKETING/NORTHWEST
AUCTION INFORMATION OFFICE

Oregon Office:

522 SW Fifth Avenue
Suite 1250
Portland, Oregon 97204

Email: info@rmnw-auctions.com

Phones (during regular business hours - 8:30 AM to 5:30 PM Pacific Daylight/Standard Time)

Portland Metro Area (503) 228-3248
Toll Free (800) 845-3524
Facsimile (503) 242-1814

SUPPLEMENTAL INFORMATION PACKAGES

More detailed information is available on the property. A Supplemental Information Package, which includes all pertinent data provided by Seller, is available for purchase. To purchase supplemental information call the Auction Information Office and charge your purchase on Visa or MasterCard.

Hard Copy Supplemental Information Package \$15

Supplemental Information Package (CD) \$ 5

Email
No Charge

PUBLISHED RESERVE

The property is being offered with a Published Reserve Price of \$1,225,000 for Rock'n LB Ranch in its entirety, with the option to submit separate bids on Parcel A and Parcel B. The sale of Parcel A or Parcel B is subject to total accepted bids in the aggregate to equal, or exceed, \$1,225,000. When bidding reaches or exceeds the amount of the Published Reserve Price, the Seller is committed to sell the property to the high bidder. Should the bidding fail to reach the amount of the Published Reserve Price, the Seller reserves the right to accept, counter or reject the high bid no later than five business days following the Sealed Bid due date.

SEALED BIDS DUE

Sealed Bids are due no later than 5:00 PM., November 29, 2011.

Bids must be accompanied by a certified or cashiers check, in the amount of 10% of the bid amount, made payable to Realty Marketing/Northwest Client Trust Account (RM/NWTCA) as earnest money deposit. Due diligence must be completed prior to bid submission. Bidders will be notified of acceptance or rejection of bids no later than December 6, 2011. Unsuccessful Bidders' earnest money deposits will be returned within three (3) business days of Seller's rejection.

Earnest money deposit from the successful Bidder will be considered earned and become non-refundable liquidated damages in the event of Buyer default.

FINANCING

None - All Cash.

COOPERATING BROKERS

Broker cooperation is invited. A commission of 2% will be paid to the real estate agent whose Buyer closes on the purchase of Rock'n LB Ranch. The real estate agent must be a broker currently licensed by his/her state of residence or a salesperson licensed under such broker. Cooperating broker commission will be paid only upon close of escrow. Cooperating brokers will not share in any payment of liquidated damages.

No real estate agent will be recognized for a Buyer where that Buyer has previously contacted, or been contacted by, the Seller, or Realty Marketing/Northwest, concerning the Auction Property purchased. No commission will be paid to any real estate agent participating as a principal in the purchase of the property. The commission will be earned and paid only upon full and final closing by the Buyer on the conveyance of the property and the receipt of the full purchase price by Seller. No exceptions to this procedure will be made and no oral registrations will be accepted.

CLOSING

Closing must occur by December 31, 2011, unless extended by the Seller in writing. Prior to making a bid, refer to the Supplemental Information Package with regard to customary closing costs including, but not limited to, recording fees, normal prorations, title fees, transfer and/or excise taxes (if applicable), sales tax on personal property (if applicable), local improvements and irrigation district assessments (if applicable), and document preparation fees. Buyers will be responsible for any real estate compensation taxes or rollback taxes and

penalties as a result of a change in use or designation of the property including, but not limited to, a change from open space, agriculture forest land or recreational.

ADDITIONAL CONDITIONS

(A) No claim will be considered for allowance, adjustment or rescission based on failure of the property to correspond to any particular expectation or standard (except the Preliminary Title Report).

(B) Title insurance is available for the property, insuring the title of such property to be in fee simple, subject to no encumbrances except for current taxes and assessments, easements, rights of way, reservations, covenants, conditions and restrictions of record, purchase money financing and printed exceptions in the standard form Owner's Title Policy. A copy of the Preliminary Title Report for the property should be inspected prior to the Auction.

(C) To the extent permitted by law, the property will be sold "As Is". Prospective buyers should examine the property and all supporting documentation carefully. Each bidder is responsible for evaluating the property and shall not rely on the Seller or sales agents. All buyers will take possession at the close of escrow.

(D) Sizes and square footages set forth for the property are approximations only, based on the best information available, but the actual sizes and square footages may be different. All sketch plans are conceptual in nature and neither Seller nor its agents have submitted plan or made applications to any public agency.

(E) Agency Disclosure. The selling and listing agent, Realty Marketing/Northwest, represents the Seller in this transaction.

(F) Seller has the right to postpone or cancel the Auction in whole or in part, at its sole discretion, and to modify or add any terms and conditions of sale and to announce such modifications or additional conditions either prior to or at the Auction.

(G) Offer void where prohibited. Catalog will not be mailed to the residents of any state in which this offering is not in compliance with the real estate laws or other laws of that state.

(H) The information contained herein has been gathered from sources deemed reliable; however, Realty Marketing/Northwest makes no warranties expressed or implied as to the accuracy of the information contained herein.

Need Help?

Realty Marketing/Northwest prides itself on the quality of its service. If at any time you need assistance please contact Steve Dwelle at (800) 845-3524 or (503) 228-3248.

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