

FLB Loan No. 128968
FLB Loan No. 198048

ASSIGNMENT OF LEASE PROCEEDS/
OPTION PAYMENTS / DOWN PAYMENT/
INSTALLMENT PAYMENT

KNOW ALL MEN BY THESE PRESENTS: That the undersigned, for and in consideration of money advanced to them by The Federal Land Bank of Spokane (hereinafter Bank) and as additional security, do hereby assign unto said Bank all rents and other remuneration due and to become due the undersigned under that certain lease dated the 2nd day of April, 1984, wherein the undersigned are landlord and Forney Scronce and Karl Scronce are tenant, and do hereby authorize and direct said tenant, his successor or assigns, to pay the same to said Bank. This assignment shall remain in effect during the term of said lease and any renewal term until the entire amount due under Federal Land Bank Loan Nos. 128968 and 198048, secured by the following mortgages, are paid in full:

That certain mortgage between said Bank as Mortgagee and the undersigned as Mortgagors, dated the 9th day of August, 1966, and recorded in the records of Klamath County, State of Oregon, in Book M66, at Page 8444, together with interest thereon, being Federal Land Bank Loan No. 128968; and,

That certain mortgage between said Bank as Mortgagee and the undersigned as Mortgagors, dated the 17th day of August, 1984, and recorded in the records of Klamath County, State of Oregon, under Receiving No. , in Book m84, at Page 16838, together with interest thereon, being Federal Land Bank Loan No. 198048.

It is understood and agreed by the undersigned that this assignment applies to all payments to be made as provided for in the aforesaid lease including all of the following:

1. The \$25,000.00 installments to be made on April 1, 1985, and \$25,000.00 on April 1, 1986, and \$25,000.00 on April 1, 1987, and \$25,000.00 on April 1, 1988, as provided for in paragraph 3 (RENT) of the aforesaid lease;
2. The \$5,000.00 payment due the 1st day of April, 1985, with a like payment on the 1st day of April thereafter until the exercise of the Option to Purchase provided in said lease at paragraph 9;
3. If said Option to Purchase is exercised, that \$75,000.00 down payment to be made on or before closing as provided for in paragraph 9 of said lease;
4. If said Option to Purchase is exercised, that installment in the amount of \$46,980.00 payable on the 1st day of February, 1990, along with all installments payable thereafter as provided for in paragraph No. 9 of said lease; and,
5. If said Option to Purchase should be exercised, and a down payment of more or less than \$75,000.00 is made, all of said down payment together with all installments to be made thereafter.

It is further understood that any funds received under this Assignment may be applied by Bank on the above-mentioned loans in a manner determined at the sole discretion of the Bank.

The land under lease as aforesaid is legally described as:

Township 37 South, Range 8 East Willamette Meridian
Section 12: Lot 4.

Section 13: Lot 1, N1/2 of Lot 2, NE1/4NE1/4,
N1/2SE1/4NE1/4.

EXCEPT those portions of the above described properties heretofore conveyed to the State of Oregon for highway purposes in Deed Volume 224 at Page 139, Records of Klamath County, Oregon;

ALSO EXCEPTING those portions of the above described properties heretofore conveyed to the Oregon Eastern Railway Company, an Oregon corporation, for railroad right of way in Deed Volume 26 at Page 396, Records of Klamath County, Oregon.

Township 37 South, Range 9 East Willamette Meridian
Section 7: Lot 4, SE1/4SW1/4, SW1/4SE1/4.

Section 18: N1/2NW1/4, Portions of the S1/2NW1/4, more particularly described as follows: Beginning at the Northeast corner of the SE1/4NW1/4 of Section 18; thence Southwesterly along the center of the dredger cut to a point 10 chains North of the quarter section corner on the West line of said Section 18; thence North to the Northwest corner of SW1/4NW1/4 of said Section 18; thence East along the North line of the S1/2NW1/4 of Section 18 to the place of beginning.

All of the above described real property is located in Klamath County, State of Oregon.

Dated this 30th day of August, 1984.

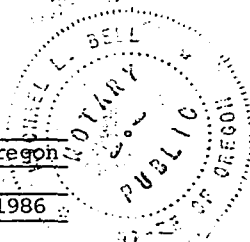
Wayne W. Cunningham

Mortgagors.

STATE OF Oregon)
 : ss.
County of Klamath)

On this 30th day of August, 19 84, before me personally appeared Wayne W. Cunningham, known to me to be the person(s) described in and who executed the within instrument, and acknowledged that (he/she/they) executed the same as (his/her/their) free act and deed.

Michael L. Bell
Notary Public for the State of Oregon
residing at Klamath Falls
My commission expires January 14, 1986



STATE OF OREGON: COUNTY OF KLAMATH:ss

I hereby certify that the within instrument was received and filed for record on the 28th day of September A.D., 19 84 at 4:05 o'clock P M, and duly recorded in Vol M84 of Mortgages on page 16842.

EVELYN BIEHN, COUNTY CLERK

Fee: \$8.00

by: *Phyllis Smith*, Deputy