

ASSIGNMENT Made as of the last date set opposite the signatures of the parties hereto, between CIRCLE FIVE RANCH, INC., Route 1, Box 69-A, Bonanza, Oregon 97623 (Assignor), and KLAMATH PRODUCTION CREDIT ASSOCIATION, a corporation organized and existing under the Farm Credit Act of 1971, as amended, P.O. Box 148, Klamath Falls, Oregon 97601 (Assignee):

1. Assignment: Assignor hereby bargains, sells, assigns, and transfers to Assignee all of Assignor's right, title, and interest in all rents due, or to become due, from all parties with which Assignor shall have a crop land and/or pasture land rental agreement (oral or written) affecting that certain real property situate in Klamath County, Oregon, more particularly described in Exhibit "1" attached hereto and thereby made a part hereof as though fully set forth hereat (Crops Land And/Or Pasture Land Rents).

2. Assignor's Warranties and Covenants: Assignor warrants and covenants as follows:

a. Title: Assignor is the owner of the Crops Land And/Or Pasture Land Rents hereby assigned free from any adverse lien, security interest, or encumbrance.

b. No Prior Assignment: Assignor has not made any prior assignment of the Crops Land And/Or Pasture Land Rents.

c. No Future Assignment: Assignor will not assign any other interest in the Crops Land And/Or Pasture Land Rents.

d. Assignor Transmit Directly Received Payments to Assignee: Assignor will instruct any tenant under any crop land agreement to issue its form of payment for the Crops Land And/Or Pasture Land Rents hereby assigned jointly to Assignor and Assignee. In the event any payment of the Crops Land And/Or Pasture Land Rents is received by Assignor, Assignor will promptly transmit such payment to Assignee in the same form as it is received by Assignor except that Assignor will endorse checks or drafts which are payable to Assignor.

e. Protect Crops Land And/Or Pasture Land Rents From Liens: Assignor will keep the Crops Land And/Or Pasture Land Rents free from any adverse lien, security interest, or encumbrance, and will defend the Crops Land And/Or Pasture Land Rents against all claims and demands of all other persons at any time claiming the same, or any interest therein.

f. Further Assurances: Assignor will do, execute, and deliver whatever further acts, documents, or instruments as Assignee reasonably shall require for preserving, confirming, and assuring to Assignee, all and singular, and the assignment in the Crops Land And/Or Pasture Land Rents herein made.

g. Duties and Obligations of Assignor Joint and Several: If more than one Assignor, the duties and obligations of Assignor shall be joint and several.

3. Rights of Assignee to Collect Crops Land And/Or Pasture Land Rents and Enforce Assignor's Rights in the Crops Land And/Or Pasture Land Rents: Assignor hereby grants to Assignee the following powers and rights:

a. Power of Attorney Coupled With Interest: Assignor hereby appoints Assignee its true, lawful, and irrevocable attorney-in-fact to perform the acts consented to by Assignor in this Assignment, including, without limiting the generality of the foregoing, to demand, receive, and enforce payment, to give receipts, releases, and satisfactions, to grant graces, extensions and indulgences, and to sue, either in the name of Assignor or in the name of Assignee, for all sums payable under the Crops Land And/Or Pasture Land Rents hereby assigned. The power of attorney contained in the immediately preceding sentence is a power coupled with an interest.

b. Notices and Right of Assignee to Receive Payments and Proceeds: Assignee may, at any time, give notice to any tenant of the real property herein described of Assignee's right to receive all Crops Land And/Or Pasture Land Rents hereby assigned, and to require

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any such tenant to make any payment jointly to Assignor and Assignee. Assignee, at its option, may hold such payment in trust as security, or apply the whole, or any part thereof, toward any obligations due Assignee by Assignor in such order as Assignee, in its sole discretion, may elect.

c. Assignee May Grant Extension: Assignor consents that Assignee may, at Assignee's discretion, without further notice and without releasing the liability of Assignor, give grace or indulgence in the collection of all sums due or to become due under any Crops Land And/Or Pasture Land Rents hereby assigned and to grant extensions of time for the payment of the same before, at, or after maturity.

d. Right of Assignee to Proceed Against Assignor Independent of Tenant Under Crops Land And/Or Pasture Land Rents: Assignor agrees that Assignee may proceed against Assignor directly or independently of any obligation of any tenant under any Crops Land And/Or Pasture Land Rents hereby assigned.

e. Non-Assumption of Assignor's Underlying Duty to Tenant Under Crops Land And/Or Pasture Land Rents Hereby Assigned: Assignee does not assume any of Assignor's obligations under any Crops Land And/Or Pasture Land Rents between Assignor and any tenant under any Crops Land And/Or Pasture Land Rents hereby assigned and Assignor agrees to keep and perform all obligations of Assignor under any such Crops Land And/Or Pasture Land Rents and to save Assignee harmless from the consequences of any failure to do so (including, without limiting the generality of the foregoing, reasonable attorney fees at trial or on appeal); and no provision of this Assignment shall be construed to provide otherwise.

4. Assignment Not Discharge of Debt of Assignor to Assignee: Assignor acknowledges that this Assignment does not constitute any accord or satisfaction, in whole or in part, of any debt owing by Assignor to Assignee however created, evidenced, or secured.

5. Attorney Fees: In any suit or action between the parties arising out of, or in connection with, any of the terms, covenants, or provisions of this Assignment, the prevailing party in such suit or action shall be awarded, in addition to any equitable relief, or damages, or both, and costs as provided by law, reasonable attorney fees at trial and on appeal. This provision shall extend to and apply to any suit or action in which the issue may be whether the terms, covenants, and provisions of this Assignment are enforceable or null and void. This provision shall, therefore, be and is hereby expressly declared by the parties hereto to be severable from all other terms, covenants, and provisions of this Assignment.

6. Notice: Any notice to Assignor required by this Assignment shall be deemed to have been fully given when written and deposited in a sealed envelope with the United States Postal Service with postage prepaid as Certified Mail addressed to Assignor at the address shown as Assignor's address shown on the records of Assignee.

7. Construction: All agreements and covenants contained herein are severable and, in the event any of them shall be held to be invalid by any competent court, this Assignment shall be interpreted as though such invalid agreements or covenants were not contained herein. Pronouns shall be construed in accordance with the appropriate gender or neuter, and as either singular or plural as the context requires. This Assignment shall not be construed as against the party paying for its preparation, but shall be construed as though all parties prepared it. The headings contained in this Assignment are for convenience only and are not to be construed as part of this Assignment.

8. Binding Effect of Assignment: This Assignment shall be binding upon the parties, their heirs, executors, administrators, successors in interest, pledgees, encumbrancees, or assigns (both voluntary and by operation of law); provided, however, that the Crops Land And/Or Pasture Land Rents hereby assigned may not be pledged, encumbered, or further assigned by Assignor without the written consent of Assignee. Assignee may assign or transfer, in whole or in part, any of the Crops Land And/Or Pasture Land Rents hereby assigned to Assignee and the transferee from

Assignee shall be vested with all rights, duties, and powers of Assignee hereunder.

SIGNED on the date set opposite the signatures of the party signing the same; the corporate party by its officer pursuant to authority granted him by its Loan Committee.

DATE

SIGNATURE

CIRCLE FIVE RANCH, INC. (Borrower)

By: Louis Randall

Louis Randall, President

By: Marien Randall

Marien Randall, Vice President

KLAMATH PRODUCTION CREDIT ASSOCIATION,
a corporation (Association)

By: Way Williams

(Name and Title)

2/26/85

All of the following described property situated in Klamath County, Oregon:

PARCEL 1: All in Township 39 South, Range 12 East of the Willamette Meridian.

Section 11: $SE\frac{1}{2}SW\frac{1}{2}$, $SW\frac{1}{2}SE\frac{1}{2}$
 Section 13: $SE\frac{1}{2}$
 Section 14: $NE\frac{1}{2}$, $E\frac{1}{2}NW\frac{1}{2}$, $NE\frac{1}{2}SW\frac{1}{2}$, $NW\frac{1}{2}SE\frac{1}{2}$
 Section 23: $E\frac{1}{2}$, $E\frac{1}{2}W\frac{1}{2}$
 Section 24: All
 Section 25: All
 Section 26: $NE\frac{1}{2}$, $NE\frac{1}{2}NW\frac{1}{2}$, $NE\frac{1}{2}SE\frac{1}{2}$
 Section 36: $E\frac{1}{2}$, $E\frac{1}{2}W\frac{1}{2}$

EXCEPTING THEREFROM that portion of the $E\frac{1}{2}NE\frac{1}{2}$ of Section 25, Township 39 South, Range 12 East of the Willamette Meridian conveyed to Eugene W. Wilkinson by deed recorded April 26, 1906, in Deed Volume 20, page 62, records of Klamath County, Oregon;

EXCEPTING THEREFROM a certain tract set forth in deed recorded in Deed Volume 7, page 30, records of Klamath County, Oregon, and being one acre tract conveyed to the Baptist Church in Section 36, Township 39 South, Range 12 East of the Willamette Meridian...

PARCEL 2: All in Township 39 South, Range 13 East of the Willamette Meridian.

Section 18: Government Lot 4 ($SW\frac{1}{2}SW\frac{1}{2}$)
 Section 19: Government Lots 1, 2, 3, and 4, $SE\frac{1}{2}SW\frac{1}{2}$, $SW\frac{1}{2}SE\frac{1}{2}$
 Section 30: $W\frac{1}{2}NE\frac{1}{2}$, $NW\frac{1}{2}SE\frac{1}{2}$, Government Lots 1, 2, 3, and 4, $E\frac{1}{2}W\frac{1}{2}$
 Section 31: Government Lots 1, 2, 3 and 4, $E\frac{1}{2}NW\frac{1}{2}$;

EXCEPTING THEREFROM a parcel of land situate in Government Lot 4 of Section 31, Township 39 South Range 13, East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the Southeast corner of Government Lot 4 in Section 31, thence West along the South line of said government Lot 4, 400 feet, thence North to the Southerly Right of Way line of Gerber Road, thence Northerly along said Southerly Right of Way line to the East line of said Government Lot 4, thence South along said East line to the point of beginning.

PARCEL 3: All in Township 40 South, Range 13 East of the Willamette Meridian

Section 1: $E\frac{1}{2}SW\frac{1}{2}$, $W\frac{1}{2}SE\frac{1}{2}$, $SE\frac{1}{2}SE\frac{1}{2}$, Government Lot 1 and $SE\frac{1}{2}NE\frac{1}{2}$, less 3 acres formerly reserved for school and two town lots mentioned in deed recorded in Volume 43 at page 325
 Section 12: $N\frac{1}{2}NE\frac{1}{2}$

PARCEL 5: All in Township 40 South, Range 14, East of the Willamette Meridian.

Section 29: $W\frac{1}{2}SW\frac{1}{2}$, $SE\frac{1}{2}SW\frac{1}{2}$

Section 30: Government Lots 3 and 4, $E\frac{1}{2}SW\frac{1}{2}$; $SE\frac{1}{2}$, $E\frac{1}{2}NE\frac{1}{2}$

Section 31: All

Section 32: $W\frac{1}{2}$

EXCEPTING THEREFROM those portions conveyed to Klamath County by instrument recorded October 3, 1952 in Deed Volume 257, page 133, records of Klamath County, Oregon, being in Sections 31 and 32, Township 40 South, Range 14 East of the Willamette Meridian.

PARCEL 6: All in Township 41 South, Range 14 East of the Willamette Meridian.

Section 5: $W\frac{1}{2}$, $W\frac{1}{2}W\frac{1}{2}SE\frac{1}{2}$

Section 6: $SE\frac{1}{2}SE\frac{1}{2}$

EXCEPTING THEREFROM that portion of Sections 5 and 6, Township 41 South, Range 14 East of the Willamette Meridian, of the above described property, conveyed to Johnson Stock Company, an Oregon corporation, by deed recorded October 7, 1952 in Deed Volume 257, page 167, records of Klamath County, Oregon;

ALSO FURTHER EXCEPTING that portion of said Sections 5 and 6, Township 41 South, Range 14 East of the Willamette Meridian, as set forth in deed to W.D. Campbell, et ux., by deed recorded December 10, 1945 in Deed Volume 183, page 7, records of Klamath County, Oregon, as follows:

EXCEPTING a 3 acre tract described as follows:

Beginning at the Northwest corner of $SE\frac{1}{2}$ of Section 5, Township 41 South, Range 14 East of the Willamette Meridian; thence South 1 chain, more or less, to the center of County road running Easterly; thence East and South 20 chains; thence North to a point due East of the point of beginning; thence West to the point of beginning;

FURTHER EXCEPTING from said Sections 5 and 6, Township 41 South, Range 14 East of the Willamette Meridian, that portion conveyed to Charles W. Kilgore, et al., by deed recorded June 8, 1953 in Deed Volume 261, page 247, records of Klamath County, Oregon, as follows:

All of the $NW\frac{1}{2}$ of the $SE\frac{1}{2}$ of Section 5, Township 41 South, Range 14 East of the Willamette Meridian, lying North of the centerline of the Old Grohs Ranch Road, but excluding all of that portion of said $NW\frac{1}{2}$ of the $SE\frac{1}{2}$ of Section 5 lying North of the Road where it has been relocated in part, it being the intention of the parties that said Grohs Ranch Road as originally established and still apparent on the ground, including the disused portions thereof, shall be the South boundary of this parcel;

ALSO EXCEPTING THEREFROM that portion conveyed to Johnson Stock Co., an Oregon corporation by deed recorded March 29, 1954 in Deed Volume 266, page 186, records of Klamath County, Oregon, as follows:

That portion of the $W\frac{1}{2}SW\frac{1}{2}SE\frac{1}{2}$ of Section 5, Township 41 South, Range 14 East of the Willamette Meridian, described as follows:

Starting at the Southwest corner of the $E\frac{1}{2}SW\frac{1}{2}SE\frac{1}{2}$ of said Section 5; thence North along the boundary line between the $W\frac{1}{2}$ and the $E\frac{1}{2}$ of said $SW\frac{1}{2}SE\frac{1}{2}$ of Section 5 for a distance of 150 feet; thence West and parallel with the South boundary of Section 5 a distance of 50 feet; thence South 150 feet to said South boundary of Section 5; thence East 50 feet along said South boundary of Section 5 to the place of beginning.

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ALSO EXCEPT THEREFROM a parcel of land situate in Section 5, Township 41 South Range 14 East of the Willamette Meridian, Klamath County, Oregon, being all that portion of the $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{2}$ of said Section 5, lying easterly of East Langell Valley Road, a County Road and southerly of the State Line Road, a public road.

PARCEL 7: All in Township 38 South, Range 15 East of the Willamette Meridian.

Section 31: SE $\frac{1}{2}$ SE $\frac{1}{2}$
 Section 32: S $\frac{1}{2}$ SW $\frac{1}{2}$, SW $\frac{1}{2}$ SE $\frac{1}{2}$
 Section 34: W $\frac{1}{2}$ SW $\frac{1}{2}$, SE $\frac{1}{2}$ SW $\frac{1}{2}$

PARCEL 8: All in Township 39 South, Range 15 East of the Willamette Meridian.

Section 3: Government Lots 3 and 4 (N $\frac{1}{2}$ NW $\frac{1}{2}$) and SW $\frac{1}{2}$ NW $\frac{1}{2}$
 Section 4: Government Lots 1 and 4; SW $\frac{1}{2}$ NW $\frac{1}{2}$, SE $\frac{1}{2}$ NE $\frac{1}{2}$, SE $\frac{1}{2}$
 Section 5: Government Lots 1, 2, 3, and 4; S $\frac{1}{2}$ N $\frac{1}{2}$, SW $\frac{1}{2}$
 Section 6: SE $\frac{1}{2}$ SW $\frac{1}{2}$, S $\frac{1}{2}$ SE $\frac{1}{2}$, NE $\frac{1}{2}$ SE $\frac{1}{2}$, SE $\frac{1}{2}$ NE $\frac{1}{2}$
 Section 9: NE $\frac{1}{2}$ NE $\frac{1}{2}$

PARCEL 9: All in Township 38 South, Range 15 East of the Willamette Meridian.

Section 32: SE $\frac{1}{2}$ SE $\frac{1}{2}$
 Section 33: SE $\frac{1}{2}$ SE $\frac{1}{2}$

PARCEL 10: All in Township 39 South, Range 15 East of the Willamette Meridian.

Section 3: W $\frac{1}{2}$ SW $\frac{1}{2}$
 Section 4: Government Lots 2 and 3, SW $\frac{1}{2}$ NE $\frac{1}{2}$, SE $\frac{1}{2}$ NW $\frac{1}{2}$, and SW $\frac{1}{2}$
 Section 9: NW $\frac{1}{2}$ NE $\frac{1}{2}$ and NE $\frac{1}{2}$ NW $\frac{1}{2}$

PARCEL 11: All in Township 39 South, Range 14 East of the Willamette Meridian.

Section 12: SW $\frac{1}{2}$ SE $\frac{1}{2}$
 Section 13: NW $\frac{1}{2}$ NE $\frac{1}{2}$, E $\frac{1}{2}$ NW $\frac{1}{2}$
 Section 16: SE $\frac{1}{2}$ NW $\frac{1}{2}$ EXCEPTING THEREFROM S $\frac{1}{2}$ of the SE $\frac{1}{2}$ of the SE $\frac{1}{2}$ of the NW $\frac{1}{2}$ of Section 16, Township 39 South, Range 14 East of the Willamette Meridian

PARCEL 17: All in Township 39 South, Range 13, East of the Willamette Meridian.

Section 19: E $\frac{1}{2}$ NW $\frac{1}{2}$, SW $\frac{1}{2}$ NE $\frac{1}{2}$, N $\frac{1}{2}$ SE $\frac{1}{2}$, NE $\frac{1}{2}$ SW $\frac{1}{2}$

Return

KLAMATH PRODUCTION CREDIT ASSOCIATION
 200 KLAMATH AVENUE, P. O. BOX 148
 KLAMATH FALLS, OREGON 97601

STATE OF OREGON,)
 County of Klamath)
 Filed for record at request of

on this 15th day of April A.D. 19 85
 at 10:02 o'clock A M, and duly
 recorded in Vol. M85 of Deeds
 Page 5396

EVELYN BIEHN, County Clerk

By R. Am Smith Deputy

Fee 31.00