

KNOW ALL MEN BY THESE PRESENTS: That KLAMATH POTATO DISTRIBUTORS, INC.

hereinafter referred to as the Assignor (whether one or more), in consideration of the sum of Ten Dollars (\$10.00) and other valuable considerations paid to the Assignor by SOUTH VALLEY STATE BANK, A state banking corporation, hereby sells, assigns, transfers and sets over unto said Bank, its successors and assigns, all of said Assignor's right, title and interest in and to that certain lease dated the 3RD day of FEBRUARY, 1986, by and between the Assignor, as lessee and VINCENT O. CHEYNE as Lessor, an executed copy of which is attached hereto and made a part hereto and made a part hereof, covering the following premises in the City of MALIN, County of KLAMATH, State of OREGON, to-wit:

SEE ATTACHED EXHIBIT "A" DESCRIPTION.

This assignment is executed and delivered to said Bank as additional collateral security for a loan made to said Assignor by said Bank contemporaneously herewith any renewal or renewals thereof and as security for any further advances made to said Assignor by said Bank, and it is understood and agreed that the Assignor shall continue to perform all of the obligations imposed upon the Assignor as Lessee by the provisions of said lease. The Assignor hereby agrees to hold said Bank harmless from any and all claims that may arise as a result of the Assignor's failure to comply with the obligations upon said Assignor as Lessee by the provisions of said lease.

It is further understood and agreed that the Lessor shall notify Bank of any default of more than sixty days under said lease and Bank may have the option to cure said default and bring the loan payments current.

As a further consideration for the loan hereinabove referred to, the Assignor further covenants and agrees with the Bank that while this assignment is in full force and effect the Assignor, as Lessee, will not exercise any rights to terminate said lease under and by virtue of the provisions thereof or to amend the same without first obtaining the written consent of the Bank so to do.

Executed in triplicate this 6th day of May, 1986

KLAMATH POTATOE DISTRIBUTORS, INC.

BY [Signature]

Lessee

TITLE

State of Oregon  
County of KLAMATH

THIS IS TO CERTIFY that on this 6th day of May, 1986 before me, the undersigned, a notary public in and for said County and State appeared the within named Vincent O. Cheyne known to me to be the identical person described in and who executed the within instrument, and acknowledged to me that he executed the same freely and voluntarily for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

[Signature]  
Notary Public for Oregon  
commission expires: 7/14/89

The undersigned, VINCENT O. CHEYNE, Lessor named in the lease hereinabove referred to, hereby acknowledge receipt of an executed counterpart of the within and foregoing Assignment.

VINCENT O. CHEYNE

Return to: mte

[Signature]

MTC NO. 16122

EXHIBIT "A" DESCRIPTION

8382

That portion of the S $\frac{1}{2}$ SW $\frac{1}{2}$  of Section 16, Township 41 South, Range 12, East of the Willamette Meridian described as follows:

Beginning at the intersection of the Northeasterly line of the Great Northern Railroad right of way, 300 feet wide, as described in deed recorded in Volume 96, page 109, of Deed Records of Klamath County, Oregon, with the Northwesterly line of the Depot Road, 80 feet wide, as described in Deed recorded in Volume 96, page 173, of Deed Records of said County; thence North 71°45' East along said Depot Road a distance of 263.29 feet to the true point of beginning of this description; thence North 165.23 feet; thence West 549.60 feet to the Northeasterly line of said Railroad right of way; thence following the boundary, line of said Railroad right of way to its intersection with the North line of the South half of the Southwest Quarter of Section 16; thence East along said North line to the Northeast corner of the Southeast Quarter of the South-west Quarter; thence South along the East line of said Southeast Quarter of the Southwest Quarter 277.90 feet, more or less, to its intersection with the Northwesterly line of the Depot Road; thence Southwesterly along the Northwesterly line of the Depot Road to the point of beginning, EXCEPTING therefrom an additional portion conveyed to the Great Northern Railway by deed recorded in Volume 105 of Deeds, Page 209, Records of Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of May of May A.D., 19 86 at 1:06 o'clock P M., and duly recorded in Vol. M86 the 15th day on Page 8381

FEE \$9.00

By Evelyn Biehn, County Clerk