

82213

RELEASE AND WAIVER

Vol. 1487 Page 21776

The undersigned has an interest in the following described real property:

See Exhibit A attached hereto and incorporated herein by reference _____, located in the County of Klamath, State of Oregon, (the "Property"). Cheyne Brothers ("Borrower") has applied to UNITED STATES NATIONAL BANK OF OREGON ("Bank") for a loan secured by the following described personal property owned by Cheyne Brothers; Klamath Potato Distributors, Inc.; Vincent O. Cheyne; Diane L. Cheyne and located on the Property:
Farming and irrigating equipment now owned or hereafter acquired, including without limitation: See Exhibit B attached hereto and incorporated herein by reference (the "Collateral").

To induce Bank to make a loan or loans to Borrower, secured by the Collateral, the undersigned waives and releases to Bank, its successors and assigns, all right, title and interest of the undersigned in the Collateral as it is now or hereafter located on the Property. The undersigned consents to the location of the Collateral upon the Property and agrees that, regardless of the manner in which the Collateral is installed or affixed to the Property, the Collateral shall at all times be considered personal property and not fixtures of any kind. The undersigned authorizes Bank, its successors or assigns, to enter upon the Property and remove any of the Collateral, committing only such injury to the Property as may be necessary to effect such removal. Bank shall be required to remedy any such injury or compensate the undersigned therefore, but Bank shall not be liable for any reduction in the value of the property which is attributable to the removal of the collateral. Bank shall provide the undersigned ten (10) days written notice of its intent to remove any Collateral from the Property which shall be effective if sent by U.S. First Class Mail, postage prepaid, or hand-delivered to the undersigned at the address below.

The Collateral shall not be subject to (1) any Security Interest, Mortgage, Trust Deed, lien or other encumbrance; (2) any suit or action for nonpayment of rent, or any other debt, now due or hereafter becoming due to the undersigned from the Borrower or any subsequent tenant; (3) or any suit or action for default under the terms of any real estate Mortgage, Trust Deed or Land Sale Contract with respect to the Property. This Release and Waiver shall remain in effect so long as Bank, its successors and assigns, shall have any interest in the Collateral by reason of a Mortgage, Trust Deed, Uniform Commercial Code Security Interest or otherwise; shall be construed in accordance with and governed by the laws of the State of Oregon; and shall be effective upon execution.

Dated: 11/16/87

WELLS FARGO BANK N.A., formerly Crocker National Bank

Interested Party

John R. Primasing, Jr.

Attorney-in-Fact

No. & Street

100 Spear St., (10) S.E., CA 94105
City State Zip Code

After recordation return to:

U.S. Bank

P.O. Box 789

Klamath Falls, OR 97601

STATE OF CA)
County of SACRAMENTO) ss.

Personally appeared JOHN R. PRIMASING, JR. and _____, who, being sworn, stated that _____ he, the said _____, is a _____ of _____ and _____ he, _____ the said _____ is a _____ of _____ and that the seal affixed hereto is its seal and that this instrument was voluntarily signed and sealed on behalf of the corporation by Authority of its Board of Directors.

Before me:



Notary Public for
My commission expires:

502

DESCRIPTION SHEET

All that certain real property situate, lying and being in the County of Klamath, State of Oregon, more particularly described as follows:

In Township 35 South, Range 7 East of the Willamette Meridian:

In Section 19:

Lots 2, 3, 4, 5, 8, 9, 10, 11, 12, 15, 16, 17, 18, 19, 20, 25, 26, 27, 28, 29, 30 and the following described tract: Starting at a point 7.85 chains West from the Section Corner Common to Sections 19, 20, 29 and 30, Township 35 South, Range 7 East of the Willamette Meridian, and running thence West 12.15 chains; thence North 20 chains to the center line of the old Dalles-California Highway; thence South 25 degrees East following the center line of the said old Dalles-California Highway 17.00 chains; thence in a Southeasterly direction also following the center of the said Dalles-California Highway 7.27 chains, more or less, to the starting point. Being a part of Lots 24 and 31 of said Section 19.

EXCEPTING from Lot 3 the following described parcel: Beginning at the intersection of the North section line of Section 19, said Township and Range and the West right of way line of State Highway 427; thence South 13 degrees 10' 28" East along the West right of way line 415.69 feet; thence North 89 degrees 36' 24" West parallel to the North section line of Section 19, 577.28 feet to Agency Lake; thence North 3 degrees 50' 07" West along the shore line of Agency Lake 405.20 feet to the North section line of Section 19; thence South 89 degrees 36' 24" East along the section line of Section 19, 509.63 feet to the point of beginning.

ALSO EXCEPTING all that portion of Lots 2, 3, 4, 5 and 8 of Section 19, Township 35 South, Range 7 East of the Willamette Meridian, lying Northerly of State Highway No. 422 and Easterly of State Highway No. 427.

In Section 30:

Lots 3, 4, 5, 6, 7, 14, 15, 16, 17, 19, 23, 24, 25, 26, 27, 28, 33, 34, 35, 36, 37 and the West 10 chains (660 feet) of Lots 8, 13 and 18.

EXCEPTING THEREFROM the East 250 feet of Lot 3, Section 30, Township 35 South, Range 7 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

ALSO EXCEPTING a substation site 40 feet square in said Section 25, described as follows: Beginning at a point on the right hand or Westerly bank of Williamson River, and on the Easterly side or boundary of Lot 37 of Section 30, Township 35 South, Range 7 East of the Willamette Meridian, said point being situated South 89 degrees 09' West 2.7 feet and West 3,114 feet, more or less, from the

3

21778

Southeast corner of said Section 30; thence West 110.0 feet; thence North 88 degrees 22' West 249.4 feet; thence West 1,750.0 feet; thence North 70 degrees 00' West 7.0 feet to a point on the East boundary fence line of that certain structure known and referred to as Indian Lands Substation and from which the Southeast corner of said substation bears South 12.5 feet, being the true point of beginning; thence South 12.5 feet to the Southeast corner; thence West 40 feet; thence North 40 feet; thence East 40 feet; thence South 27.5 feet to the true point of beginning.

In Section 31:

Lot 4, EXCEPTING THEREFROM the following described parcel: Beginning at a point on the North line of said Lot 4 which bears North 89 degrees 39' 50" East a distance of 498.3 feet from the Northwest corner of said Lot 4; thence South 07 degrees 13' 10" East a distance of 336.7 feet to a point; thence South 51 degrees 05' 40" East a distance of 165.5 feet to a point; thence South 06 degrees 30' 30" East a distance of 50.5 feet to a point; thence North 80 degrees 02' 40" East a distance of 135 feet, more or less, to a point on the Westerly bank of Williamson River thence Northerly along said Westerly bank to the Northeast corner of said Lot 4; thence South 89 degrees 39' 50" West along the North line of said Lot 4 to the point of beginning.

Lots 5, 6, 7, 12, 13, 14, 15, 16, 17, 18, 19, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 34, 35, 36, 37 and portion of Lots 11, 20, 21, 28, 29 and 38 in Section 31, more particularly described as follows: Beginning at the stone monument marking the section corner common to Sections 31 and 32, Township 35 South, Range 7 East of the Willamette Meridian and to Sections 5 and 6, Township 36 South, Range 7 East of the Willamette Meridian; thence South 89 degrees 55 3/4' West along the section line common to said Sections 31 and 6, 425.0 feet to a point; thence North 0 degrees 25' West 30.0 feet to an iron pipe on the Northerly right of way line of a county road as the same is presently located and constructed and the true point of beginning of this description; thence South 89 degrees 55 3/4' West along the said Northerly right of way line 868.7 feet to a point in the fence line marking the Westerly boundary of Lot 38 of said Section 31; thence North 0 degrees 55 3/4' West 1271.7 feet to the stone monument marking the Northwest corner of Lot 29 of said Section 31 (said monument being also the SE1/16 corner of said Section 31); thence North 0 degrees 25' West 1316.7 feet to the stone monument marking the Northwest corner of Lot 21 of said Section 31 (said monument being also the East 1/16 corner on the East-West centerline of said Section 31); thence North 0 degrees 19 3/4' West 1263.3 feet to an iron pin on the Westerly boundary of Lot 11 of said Section 31 and from which point the Northwest corner of said Lot 11 bears North 0 degrees 19 3/4' West 55.0 feet distant; thence South 13 degrees 14 1/2' East 3955.5 feet, more or less, to the true point of beginning.

EXCEPTING that portion of Lot 12, more particularly described as follows: A portion of Lot 12 beginning at the Northeast corner of Lot 12, said Township and Range; thence South 0 degrees 19 3/4' East 55.0 feet to an iron pin; thence North 45 degrees 18 3/4' West 77.8 feet to an iron pin; thence North 89 degrees 40 1/4' East 55.0 feet, more or less, to the point of beginning.

21779

In Township 36 South, Range 7 East of the Willamette Meridian:

In Sections 5 and 8 described as follows:

Beginning at a point on the West line of said Section 5 which bears South 0 degrees 21' 20" East a distance of 644.5 feet from the Northwest corner of said Section 5; thence South 33 degrees 55' 20" East a distance of 4,666.55 feet, more or less, to a point on the North-South center section line of said Section 5, which point bears North 1 degree 18' 55" East a distance of 723.9 feet from the South one-quarter corner of said Section 5; thence South 1 degree 09' 50" East a distance of 1,768.3 feet to a deep water channel situate on the NW1/4 NE1/4 of said Section 8; thence West a distance of 52.55 feet to a point on the North-South centerline of said Section 8; thence North along said centerline a distance of 1,044.2 feet, more or less, to the Quarter section corner common to said Section 5 and 8; thence west along the South line of said Section 5 to the Southwest corner thereof; thence North along the West line of said Section 5 to the point of beginning. Said parcel being all of Lots 20, 21, 28, 29, 30 and portions of Lots 4, 5, 12, 13, 14, 19, 22, 27 and 31 in Section 5, and portion of the NW1/4 NE1/4 of Section 8.

In Section 6:

All of Section 6, SAVING AND EXCEPTING the North 30 feet of Lot 1 of Section 6, Township 36 South, Range 7 East of the Willamette Meridian, as conveyed by Tulana Farms to Klamath County by deed executed January 11, 1954, recorded January 13, 1954 in Deed Volume 265 at page 50, Deed Records of Klamath County, Oregon.

In Section 7: All of Fractional Section 7

In Section 8:

The N1/2 NW1/4; Lot 1 and that portion of Lot 2 lying Northerly and Westerly of the present shore line of Klamath Lake.

In Township 35 South, Range 7 1/2 East of the Willamette Meridian:

All of Fractional Sections 25, 26, 27, 33, 34, 35 and 36, All of Fractional Section 24 EXCEPT Government Lot 5; All of Fractional Section 28 lying East of the Straits which connect Upper Klamath Lake and Agency Lake.

In Township 36 South, Range 7 1/2 East of the Willamette Meridian:

All of Section 1; and All of Fractional Sections 2, 3, 4, 11 and 12 lying Northeasterly and Northerly of the shore line of Klamath Lake.

Townships 34 and 35 South, Range 7 1/2 East of the Willamette Meridian

All those portions of Sections 20, 21, 22, 26, 27, 28, 29, 33 and 34, Township 34 South, Range 7 1/2 East of the Willamette Meridian, and Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 16, 17 and 18, Township 35 South, Range 7 1/2 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at the intersection of the center line of Seven Mile Canal, as the same is now located and constructed with a line parallel with and 70.0 feet distant at right angles Southeasterly from the centerline of the Dixon and McQuiston Lower Levee as the same is now located and constructed and from which point the Southeasterly corner of Section 1, Township 34 South, Range 6 East of the Willamette Meridian, as established by Norman D. Price, U. S. Cadastral Engineer, between October 31, 1930 and June 22, 1931, bears North 52 degrees 51 1/2' West 18,650.2 feet distant, and running thence South 44 degrees 40' 12 degrees 30' East along a line parallel with and 70.0 feet distant at right angles Northeasterly from the center line of the said Dixon and McQuiston Lower Levee, 2,622.3 feet, more or less, to a point in the section line between the said Sections 28 and 29, Township 34 South, Range 7 1/2 East of the Willamette Meridian; thence Southerly along the said section line between the said Sections 28 and 29, and Sections 32 and 33 of the same Township and Range, 7,928 feet, more or less, to the Southeasterly corner of the said Section 32; thence Southerly along the section line between the said Sections 4 and 5, Township 35 South, Range 7 1/2 East of the Willamette Meridian, 788.3 feet; thence Westerly along a line parallel with and 788.3 feet distant at right angles Southerly from the Township line between Township 34 South, Range 7 1/2 East of the Willamette Meridian and Township 35 South, Range 7 1/2 East of the Willamette Meridian, 10,560 feet, more or less, to a point in the line marking the Westerly boundary of Section 6, Township 35 South, Range 7 1/2 East of the Willamette Meridian; thence Southerly along the Westerly boundary of the said Section 6, 4,492 feet, more or less, to the Southwest corner of the said Section 6; thence continuing Southerly along the Southwest corner of said Section 7; thence continuing South along the West line of Section 18 a distance of 660 feet; thence East, parallel with and 660 feet South of the North lines of Sections 18 and 17, a distance of 10,560 feet, more or less to the East line of Section 17; thence continuing East along said parallel line a distance of 1,980.0 feet to a point; thence North at right angles to said parallel line a distance of 660 feet to a point on the South line of Section 9 which is 1,980.0 feet East of the Southwest corner thereof; thence North 13 degrees 46' East a distance of 2,717.95 feet, more or less, to the center of Section 9 and the Southwest corner of Lot 2 in said Section 9; thence North 44 degrees 52' East to the Northeast corner of said Lot 2; thence continuing North 44 degrees 52' East a distance of 0.983 chains; thence North 86 degrees 54' East a distance of 81.715 chains to a point on the East line of Section 10 and on the

21781

meander line of Agency Lake; thence Northerly along the shore line of Agency Lake to its intersection with the center line of the Seven Mile Canal as the same is now located and constructed; thence North 41 degrees 02' 30" West, along said center line, a distance of 11,000 feet, more or less, to the point of beginning.

3.

EXHIBIT B


This Exhibit is attached to and made a part of that certain Release and Waiver dated 11/16/87

- 1969 International F856D Wheel Tractor s/n 25016
- 1972 International F1566 Wheel Tractor with cab s/n 13996
- 1968 International F544 Wheel Tractor s/n 10879
- International Super M. Wheel Tractor s/n 210384
- 1974 International 1066 Wheel Tractor with cab s/n U044012
- 1968 International F544 Wheel Tractor s/n 12445
- 1973 International 1066 Wheel Tractor, s/n 210547740
- International TD14 Crawler Tractor, with canopy and hydraulic blade s/n TDF10513T70M
- Lockwood EX 3 point potato Windrower s/n 5111.
- Lockwood Mark 15 3 point Potato Windrower s/n 8041EF
- Lockwood Mark XL 3 point Potato Harvester s/n 90434H
- 1966 International 806 Wheel Tractor with cab s/n 19496F
- 1973 International 1466 Wheel Tractor with cab s/n 2650134V03143
- 1974 International Load Star 1800 Potato Truck with potato bed s/n 21486
- Freeman Bailer s/n 63576
- 1969 Ford s/n F61CRE071
- 1969 Ford F600 Bulk Truck s/n F61CRF14958 with bed and chainlink conveyor
- 1968 Ford F600 Bulk Truck, s/n F61CR018760 with bed and chainlink conveyor
- 1974 Steiger Articulated Wheel Tractor, Bear Cat II with cab and duals s/n 55052
- Portable Berkley 10" Pump s/n 3748D with cat diesel engine
- Portable Cornell 8" Pump s/n 13811 with gas engine
- Portable Berkley 10" Pump s/n 769906 with cat diesel engine
- 1965 Chevrolet 060 Bulk Truck s/n RC6835081633 with bed and chainlink conveyor
- 1967 Ford F600 Bulk Truck s/n F60CRA15566 with bed and chainlink conveyor
- 1974 International 1800 Bulk Truck s/n 15682CCA20391 with bed and conveyor
- 1974 Chevrolet Bulk Truck s/n 674V166619 with 20' bed and chainlink conveyor
- 1975 International Bulk Truck s/n 17795 with 20' bed and chainlink conveyor
- 1956 Ford T700 Flatbed Truck s/n T70J6477494
- 1959 Chevrolet Flatbed Truck s/n 6C590101761
- 1960 Ford F600 Flatbed Truck s/n F60COR10949
- 1959 Ford F600 Truck s/n F60C9R11786
- 1963 Fruehauf Lowboy Trailer s/n FWD701201
- 1982 F S System V-Bottom Bulk Trailer s/n F020001

Equipment List

Page 2 of 4

21783

- 1970 Fruehauf 40' Dry Van Trailer s/n MEK852575
1965 White Freightliner COE Truck Tractor s/n AP16675
Lockwood Potato Planter model 06200-0041, s/n 623377
Combination Rototillers, two spring tooth, drum rollers, 3 way
disc, two fertilizer spreaders, Clampco Inc. Planters, Leroy RH
400-40 3 point four Rototiller, all 3 point, United Rototiller
s/n 81-3-121451B
Portable Cornell 12" Pump with GMC diesel engine
Portable Cornell 8" Pump with gas engine
Portable Cornell 8" Pump with gas engine
Portable Cornell 8" Pump with gas engine
Portable Cornell 12" Pump with cat diesel engine s/n 85B140
Portable Cornell 12" Pump with cat diesel engine s/n 85B553
Weston Land Roller
1970 Lewis Potato Feeder with incline belt conveyor, 24' extension
model 981811 s/n 0070
Lockwood Piler model 12324-36 s/n 482
Brady Vine Beater model 840 s/n 574
Spudnik single axle Potato Piler with 2 hp electric drive s/n 676
Wheel lines, irrigation equipment, additional pumps, motors, pipe
trailers.
Shop equipment, grinders, presses, welders, shop trucks, lathes.
Additional tillers, horrows, discs, set plows, and potato
processing equipment and tractors.
International Harvester Tractor H s/n 62283
Massey Tractor and Back Hoe s/n 6425
Caterpillar D2 589089
3 Northwest Rototillers s/n 2122, 3396, and 3768
3 International Harvester Chisel Plows s/n 8654
Speedy Beater s/n 81-3-121451B
International Plow 4 Bottom s/n 642
Swedish Trailer Cultivator s/n 361620316
Peugh Ripper Ditcher
2 Rollers Potato
3 Bedders Potato Tool Bar
Traccon Carryall s/n 10027
12' Scraper
3 Cultipackers
Big Ed Ripper
Lely Roter s/n 400-40-838
2 Trailers and Tanks - home made
International Harvester Drill s/n 620C1311
Brillion 16' Clod Stomper s/n 113773
International Harvester Front End Cultivator
Lilliston 4 Row Cultivator
8 Harrows
Carrier
Lockwood Planter s/n 62337
Milestone Seed Cutter sn/ 700821
Spudnik Piler Model 400 s/n 1246
Lockwood Piler Model 104 s/n P12324-2B
Lockwood Elevator model 401 s/n 91241500
Spudnik Elevator s/n 676
Lockwood Seed Elevator s/n 5112316-16
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Equipment List

Page 3 of 4


Ford 2 Ton Truck s/n F60CRA15566
 Trailmobile Trailer s/n 8104020407
 Trailmobile Trailer s/n 8103521467
 3 1/4 Mile Wheel Lines
 2 1/4 Mile Wheel Lines
 420 Acres Solid Set Sprinklers

The following equipment is owned by Cheyne Brothers:

30"X30" steel through unloading belt conveyor, to 30"X15' steel trough incline belt conveyor, both with electric gear head drives, supports, and controls. 9'X5'X6' steel constructed potato wash and dump system, floor inserted, all electric pumps, electric motors, controls, transfer pipe and sensors. 42" flanged incline belt load out conveyor with 4 station spray system. All rock and dirt separating systems. Water agitators and return pumps. Steel 18'X12'X15' potato holding bin, top load, bottom belt discharge conveyor with 1 hp electric gear head drive. F.M.C. 6 station sorting system with 12 drop out chutes, grade belt stations, roll station, electric gear head drives. All grade belt off feed conveyors with electric drives, 4 position grade table with belt and sort flanged conveyors. Three steel sort and hold storage bins with belt infeed/outfeed conveyors and electric gear head drives. All steel supports, catwalks, and walkways. 16 station Weigh-O-Matic bagger with twist and lock station. 6 station revolving multi bagger, Fishbein stitcher, s/n 1246. F.M.C. 6 station grade and sort, 4 row grade cup station, all feed conveyors and electric drives. All electric Allen Bradley center line electric panel switch control board. 14 station Weigh-O-Matic bagger with infeed outfeed conveyor. Steel constructed 5 chute box drop station. ACME box stitcher s/n B2464-2. Interlake box stitcher model H12P, s/n 827704. All steel structure supports, chutes, and controls. Approximately 6 portable 24" and 30" belt conveyors with electric gear head drives.

Portable Berkley 10" pump s/n 66B43423 mounted on 2 axle trailer
 Portable Berkley 10" pump s/n 660362B mounted on 2 axle trailer
 Portable Cornell 10" pump s/n 140218 mounted on single axle trailer
 Portable Cornell 10" pump s/n 149227 mounted on single axle trailer
 Lockwood self-contained potato digger model 6030-0660 s/n 131
 Lockwood self-contained potato digger model 6030-0660 s/n 114574
 Lockwood 3 point potato digger model 6030-0206 s/n 1285
 1976 John Deere turbo 7700 Combine, s/n 215082H with 220 header s/n 222667

Two portable Gas Tanks with pumps
 Two Pipe trailers, 2 axle and racks
 Better Built Potato Seed Cutter, s/n 950-115-70
 Lockwood Potato Planter
 Hallway Potato Digger
 Spudnik Elevator Piler model DRP820 s/n 68477
 1976 Lewis Potato Dry Grader model B004H s/n 0023
 1979 Allis Chalmers 7020 Wheel Tractor s/n S2410
 Exide Battery Charging Station, s/n 3870055FF
 Elliott Mfg. Co. Case Gluer model 76-10 s/n 76-7-20



Equipment List

Page 4 of 4

Cat V40B Forklift, s/n 79M2730
 1974 International Conv Potato Bulk Truck 1800 s/n 15682DCA20527
 1974 International Conv Potato Bulk Truck 1800 s/n 15682DCA2116
 1974 International Conv Potato Bulk Truck 1800 s/n 1562DCA21128
 1978 Gooseneck Trailer 18' bed s/n GSFD2084818 Model 900 Eliminator
 sorter

All shop equipment including presses, lathes, skid steer loader,
 cranes, jacks, welders, and grinders.

Irrigation equipment, wheel lines, electric motors, pumps, and
 controls

International 806 Wheel Tractor s/n 546-5Y

2 30'X8' Belt pups model 2200 s/n 17771790

Spudnik Piler s/n 278

2 1000 fuel tanks s/n 7305-71

Irrigation Equipment as follows:

1390'6" Main Line

129910'3" Lateral Pipe

3310'8" Main Line

3020'10" Main Line

1050 12" Main Line

4 Dragon Filters

3 Ditch Screens

2 Filter Main folds 120 3" End Plugs

30 3" Elbows

20 3" Tees

30 3" Openers

Misc. Parts and Attachments

Lewis Scoopie s/n 0070

Lewis Bulk Seed Elevator

Northwest Tiller

Kewanie Mulcher s/n 1288

IH Chisel Plow

A.C. 12' Packer

Smizer 10' Packer

Flow Packer 4 Bottom

Big Ed Ripper

Misc. Tools and Equipment

Act: us National Bank of Ore

Box 789

MFO

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of U.S. National Bank of Oregon the 4th day
 of December A.D., 19 87 at 11:34 o'clock A M., and duly recorded in Vol. M87,
 of Mortgages on Page 21776.

FEE \$50.00

Evelyn Biehn, County Clerk

By *Pam Smith*