

ASSIGNMENT FOR SECURITY PURPOSES

DATE: November 22, 1988

PARTIES:

ASSIGNORS: WILLIAM J. TURNOCK, P.O. Box 197,
Beatty, Oregon 97621

ASSIGNEES: CENTRAL OREGON INTERGOVERNMENTAL COUNCIL,
P.O. Box 575, Redmond, Oregon 97756

RECITALS:

A. Assignors are the owners of the Lessee's interest in a Lease and Water Use Agreement dated October, 1987, between Sycan River Ranch, as Lessor, and William J. Turnock, as Lessee. The property which is the subject of the Lease is described as follows (the Property):

See Exhibit "A" attached hereto and incorporated herein by reference.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS, BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

B. Assignors desire to assign and convey their interest in the Contract and the Property to Assignees and Assignees desire to acquire such interests as additional security for certain obligations of Sycan Springs Trout, Inc. on the terms and conditions set forth below.

AGREEMENT:

1. **Assignment and Conveyance.** Assignors hereby assign their interest in the Contract and convey their interest in the property to Assignees.

2. **Covenants.** Assignors covenant as follows:

2.1 They are the owners of the Lessee's interest in the Lease;

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2.2 They are not in default under the terms of the Lease;

2.3 The Lessee's interest in the Contract is free of all liens and encumbrances; and

3. Consideration. The consideration paid for this assignment is the granting of credit to Sycan Springs Trout, Inc.

4. Attorney Fees. In the event action is instituted to enforce any term of this Assignment and Conveyance, the prevailing party shall recovery from the losing party reasonable attorney fees incurred in such action as set by the trial court and, in the event of an appeal, as set by the appellate courts.

ASSIGNEES:

SYCAN SPRINGS TROUT, INC.

By: William J. Turnock
William J. Turnock, President

STATE OF OREGON)
County of Deschutes) ss.

On 22 November, 1988, personally appeared the above named SYCAN SPRINGS TROUT, INC., through William J. Turnock, its President, and acknowledged the foregoing instrument to be his voluntary act. Before me:

James B. O'Sullivan
Notary Public for Oregon
My Commission Expires: 11-7-89

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LAW OFFICES OF
MERRILL & O'SULLIVAN, P.C.
A PROFESSIONAL CORPORATION
424 N.E. KEARNEY
BEND, OREGON 97701

EXHIBIT "A"

Sections 22, 26 and 27, Township 35 South,
Range 12 East W.M., Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Merrill & O'Sullivan the 1st day
of Dec. A.D., 19 88 at 11:06 o'clock A M., and duly recorded in Vol. M88
of Mortgages on Page 20382

FEE \$18.00

Evelyn Biehn County Clerk

By Pauline Mullendore

Rel:
LAW OFFICES OF
MERRILL & O'SULLIVAN, P.C.
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BEND, OREGON 97701