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K-41011

CONDITIONAL ASSIGNMENT OF PASTURE LEASES Dated as of the last date set opposite the signatures of the parties, between STEVE SIMMONS, whose full name is Steven William Simmons, and KAREN SIMMONS, whose full name is Karen Louise Simmons (Assignor), and INTERSTATE PRODUCTION CREDIT ASSOCIATION, a corporation existing under the Farm Credit Act of 1971, as amended (Assignee):

1. Assignment: Assignor hereby bargains, sells, assigns, and transfers to Assignee all of Assignor's right, title, and interest in rentals for pasture from all parties with which Assignor shall have a pasturage lease (oral or written) affecting that certain real property of Assignor situate in Klamath County, Oregon, and Lake County, Oregon, subject to those certain mortgages recorded December 15, 1981, in Vol. M-81, Page 21407, and recorded Jan. 17, 1989, in Vol. M-89, Page 905, Records of Klamath County, Oregon, and that certain mortgage recorded December 31, 1984, in Book 82, Page 367, Mortgage Records of Lake County, Oregon (to which recorded instruments reference is made for the descriptions of the real property contained therein which is thereby incorporated hereat as though fully set forth).

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

a. Title: Assignor is the owner of any pasturage leases hereby assigned free from adverse liens, security interests, or encumbrances.

b. No Prior Assignment: Assignor has not made any prior assignment of any pasturage leases.

c. No Future Assignment: Assignor will not assign any other interest in any pasturage leases.

d. Assignor Transmit Directly Received Payments to Assignee: Assignor will instruct any tenant under any pasturage lease to issue its form of payment for any pasturage lease hereby assigned jointly to Assignor and Assignee. In event any payment of any pasturage lease 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 Pasturage Lease From Liens: Assignor will keep any pasturage lease free from any adverse lien, security interest, or encumbrance, and will defend any pasturage lease 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 any pasturage lease 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.

Rerecorded to correct page of mortgage

89 JAN 17 AM 8 54 '89 FEB 1 PM 2 55

3. Rights of Assignee to Collect Payments and Enforce Assignor's Rights in Any Pasturage Lease: 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 any pasturage lease 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 lessee of the real property herein described of Assignee's right to receive all pasturage lease payments and proceeds from any pasturage lease hereby assigned, and to require any such lessee 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 pasturage lease 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 Lessee Under Any Pasturage Lease: Assignor agrees that Assignee may proceed against Assignor directly or independently of any obligation of any lessee under any pasturage lease hereby assigned.

e. Non-Assumption of Assignor's Underlying Duty to Lessee Under Any Pasturage Lease Hereby Assigned: Assignee does not assume any of Assignor's obligations under any pasturage lease between Assignor and any lessee under any pasturage lease hereby assigned and Assignor agrees to keep and perform all obligations of Assignor under any such pasturage lease 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.

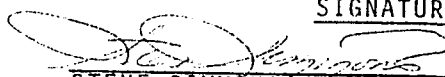
8. Binding Effect of Assignment: This Assignment shall be binding upon the parties, their heirs, executors, administrators, successors in interest, pledgees, encumbrancees, or assigns (both voluntary and by operation of law); provided, however, that any pasturage lease hereby assigned may not be pledged,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

DATE

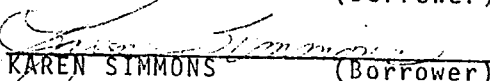
SIGNATURE

12/28/88



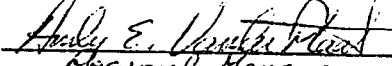
STEVE SIMMONS (Borrower)

12/28/88


KAREN SIMMONS (Borrower)

12/28/88

INTERSTATE PRODUCTION CREDIT ASSOCIATION,
a corporation (Association)

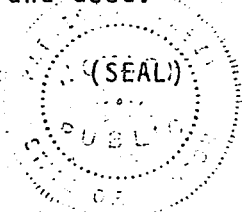
By: 
Regional Manager
(Name & Title)

915
2021

STATE OF OREGON, County of Deschutes ~~Klamath~~ ss:

December 28, 1988

Personally appeared before me the above-named STEVE SIMMONS and KAREN SIMMONS and acknowledged the foregoing instrument to be their voluntary act and deed.

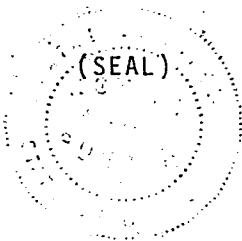


Patricia A. Reid
NOTARY PUBLIC FOR OREGON
My Commission Expires: 3-11-89

STATE OF OREGON, County of Deschutes ~~Klamath~~ ss:

December 28, 1988

Personally appeared before me, Andy E. VanderPlaats, known to me to be the Regional Manager of the corporation that executed the foregoing instrument and acknowledged said instrument to be the free and voluntary act of said corporation, for the uses and purposes therein mentioned, and that it executed the same, and on oath stated that he was authorized to execute said instrument.



Patricia A. Reid
NOTARY PUBLIC FOR OREGON
My Commission Expires: 3-11-89

WHEN RECORDED MAIL TO:

FARM CREDIT SERVICES
P.O. BOX 148
KLAMATH FALLS, OREGON 97601

STATE OF OREGON,
County of Klamath ss.

Filed for record at request of:

Klamath County Title Co.
on this 1st day of Feb. A.D., 19 89
at 2:55 o'clock P.M. and duly recorded
in Vol. M89 of Mortgages Page 2021
Evelyn Biehn County Clerk
By Pauline Mudders Deputy.

Fee, \$23.00

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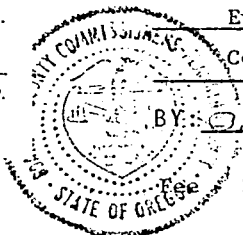
STATE OF OREGON

County of Klamath } ss:

I certify that the within instrument was received for record on the 17th day of Jan., 19 89, at 8:54 o'clock A.M., and recorded in Book M89 on Page 912 or as filing fee number 96134.

Record of Mtges. of said County.

Witness my hand and seal of County affixed.



Evelyn Biehn
County Clerk Title
By: Pauline Mudders Deputy

Fee 23.00

INDEXED
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