

PARTIAL RELEASE OF MORTGAGE

PARTIAL RELEASE OF MORTGAGE, dated as of January 31, 1991 made by the UNITED STATES OF AMERICA (hereinafter called the "Government") and the NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION (hereinafter called the "CFC") to MIDSTATE ELECTRIC COOPERATIVE, INC., an Oregon corporation (hereinafter called the "Corporation").

WHEREAS, the Corporation, to evidence loans made to the Corporation by the Government pursuant to the Rural Electrification Act of 1936, as amended, has executed certain mortgage notes (hereinafter collectively called the "Notes"), all payable to the order of the Government and CFC; and

WHEREAS, the Corporation, to secure the Notes, has executed and delivered the following instruments to the Government and CFC (hereinafter collectively called the "Security Instruments"):

<u>Instrument</u>	<u>Dated as of</u>
1. Mortgage	December 1, 1950
2. Supplemental Mortgage	July 18, 1958 recorded August 28, 1958 in Volume 184, page 570, Deed Records of Klamath County, Oregon
3. Supplemental Mortgage	March 5, 1963 recorded April 24, 1963 in Volume 216, page 619, Deed Records of Klamath County, Oregon

Partial Release of
MORTGAGE

United States of America
to
Midstate Electric
Cooperative, Inc.

AFTER RECORDING RETURN TO:

Wm. G. Sheridan, Jr.
333 SW Taylor Street
Portland, OR 97204

STATE OF OREGON)
County of Klamath) ss.

I certify that the within instrument was received for record on the ____ day of _____, 1990, at _____ o'clock ____ .m., and recorded in book ____ on page ____ or as file/reel number ____.
Record of Mortgages of said County.

Witness my hand and seal
of County affixed.

By _____ Title
Deputy

ORIGINAL

4. Supplemental Mortgage August 25, 1965 recorded December 17, 1965 in Volume M65, page 4771, Microfilm Records of Klamath County, Oregon
5. Mortgage February 3, 1968 recorded February 29, 1968 in Volume M68, page 1685, Microfilm Records of Klamath County, Oregon
6. Supplemental Mortgage and Security Agreement August 9, 1972 recorded August 14, 1972 in Volume M72, page 9038, Microfilm Records of Klamath County, Oregon
7. Supplement to Supplemental Mortgage and Security Agreement July 23, 1973 recorded July 25, 1973 in Volume M73, page 9573, Microfilm Records of Klamath County, Oregon
8. Restated Mortgage and Security Agreement July 23, 1990 recorded September 27, 1990 in Volume M90, page 19506, Mortgage Records of Klamath County, Oregon

WHEREAS, the indebtedness evidenced by the Notes is the only indebtedness as of the date hereof secured by the Security Instruments; and

WHEREAS, the Corporation has requested that certain property hereinafter described be released from the liens of the Security Instruments;

NOW, THEREFORE, THESE PRESENTS WITNESSETH that, in consideration of the sum of one dollar in hand paid by the Corporation to the Government and CFC at the time of delivery of these presents, the receipt whereof is hereby acknowledged, the Government and CFC do hereby release and discharge unto the Corporation, its successors and assigns, all right, title, interest, claim or demand whatsoever which the Government and CFC may have acquired by or through the Security Instruments, or any of them, in and to the following described property, and does hereby quitclaim said property unto the Corporation, its successors and assigns forever:

A certain tract of land described as follows:

Beginning at a point 697 feet south and 1948 feet west of the 1/4 corner common to Sections 16 and 17, Township 28 South, Range 8 East Willamette Meridian, Klamath County,

Oregon, said point being the northeast corner of an 8 foot cyclone fence in the northwest 1/4 of the southeast 1/4 of said Section 17; thence south 14° west 40.0 feet; thence north 76° west 40.0 feet; thence north 14° east 40.0 feet; thence south 76° east 40.0 feet to the point of beginning, containing 0.04 acres, more or less.

This land described in a deed dated the 6th day of October, 1970 by G. C. Randell and J. E. Clute of Boise Cascade Corporation, a Delaware corporation, as "Grantors" and recorded on the 6th day of October, 1970 in the office of the Clerk of Klamath County Court of Klamath County in the State of Oregon, in Deed Book M-70, Page 9353.

TO HAVE AND TO HOLD said property unto the Corporation, its successors and assigns forever, free, clear and discharged of and from any and all liens and claims of the Government and CFC under and by virtue of any or all the Security Instruments.

THIS RELEASE is made by the Government and CFC and accepted by the Corporation on the express condition that it will not in any way affect or impair the liens and security of the Security Instruments, or any of them, upon other premises and properties now subject thereto and not expressly released hereby. This release is made and accepted without covenant or warranty, express or implied, at law or in equity, and without recourse to the Government and CFC, in any event or in any contingency.

IN WITNESS WHEREOF, the Government and CFC have caused this instrument to be duly executed in its behalf, all as of the day and year first above written.

CFC

By: [Signature]
 Title: _____
 For the National Rural
 Utilities Cooperative
 Corporation Director of Loan Development
 and Servicing
 DISTRICT OF COLUMBIA) ss.

UNITED STATES OF AMERICA

By: [Signature]
 Title: Director NWAR
 For the Administrator of the
 Rural Electrification Finance
 Administration

Personally appeared Joseph R. Binder, who is the

of Director, Northwest Area Electric (title)
 and
 that said individual signed said instrument with full legal authority
 on behalf of the Administrator of the Rural
Electrification Administration.

Before me:

Russ M. Maerman
 Notary Public for the District of Columbia

My commission expires: 2/14/95

Commonwealth of Virginia
DISTRICT OF COLUMBIA) ss.

2134

Personally appeared Gerald V. Boer, who is the
Director of Loan Development (title)
and Servicing
of National Rural Utilities
that said individual signed said instrument with full legal authority
on behalf of Cooperative Electric Corporation.

Before me:

Melissa A. Knapp 11/27/90
Notary Public for the District of Columbia
Commonwealth of Virginia
My commission expires: _____

Melissa A. Knapp
Notary Public of
Commonwealth of Virginia
My Commission Expires:
October 31, 1994

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Wm. G. Sheridan, Jr. the 4th day
of Feb. A.D., 19 91 at 12:40 o'clock P M., and duly recorded in Vol. M91
of Mortgages on Page 2131.

FEE \$23.00

Evelyn Biehn County Clerk
By Raoul Muelandore