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CHICAGO TITLE COMPANY
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'99 APR -1 19:11

Vol m 99 Page 11616

Farm Credit Services
475 Cottage Street, N.E. Suite 120
Salem, Oregon 97308

Escrow No. C-1717490
Order No. 47380-KR

SPACE ABOVE THIS LINE FOR RECORDERS USE

LESSOR'S ASSIGNMENT OF LEASEHOLD INTEREST AND
OPTION TO BUY (OREGON PROPERTY)
(FOR COLLATERAL PURPOSES)

THIS PAGE ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(Additional recording fee applies)

After Recording Return To:
 FCS - Salem
 475 Cottage Street, N.E., Suite 120
 Salem, OR 97308

Agricultural Resources
 Customer/Note Nos. 36676-441 & -241

**LESSOR'S ASSIGNMENT OF LEASEHOLD INTEREST AND
 OPTION TO BUY (OREGON PROPERTY)
 (FOR COLLATERAL PURPOSES)**

THIS ASSIGNMENT effective March 25, 1999, from Agricultural Resources, an Oregon limited partnership, Robert D. Murie, general partner, whose mailing address is 24011 Jabil Lane, Los Altos Hills, CA 94024, the Assignor (hereinafter called "Borrower") to Northwest Farm Credit Services, ACA, a corporation, whose address is 1700 South Assembly Street, P.O. Box 2515, Spokane, WA 99220-2515, the Assignee (hereinafter called "Lender").

BORROWER HEREBY GRANTS, CONVEYS, WARRANTS AND ASSIGNS all right, title and interest in the following described lease agreement, including without limitation, all rents or other remuneration due and to become due Borrower under that certain Agricultural Lease with Option to Buy dated September 21, 1994, by and between Agricultural Resources, as Landlord, and Sierra Cascade Nursery, Inc., a California corporation as Tenant, terminating on January 1, 2005, for the lease of real property situated in Klamath County, Oregon, as more fully described in Exhibit A attached and by this reference made a part hereof.

THIS ASSIGNMENT is given to secure:

Payment of the following described notes executed by Borrower and held by Lender:

<u>Loan Nos.</u>	<u>Date of Notes</u>	<u>Maturity Date of Notes</u>
36676-441	March 25, 1999	August 1, 2016
36676-241	December 2, 1994	August 1, 2004

The notes, security documents and any other document or instrument signed in connection with the notes and security documents and any amendments thereto are referred to collectively as the "Loan Documents."

Payment of all extensions, fees or advances and interest on all indebtedness secured hereby at the interest rate(s) described in the Loan Documents. The interest rate, payment terms or balance due under the Loan Documents may be indexed, adjusted, renewed or renegotiated.

Performance by Borrower of the terms, covenants and conditions of this Assignment and the Loan Documents.

BORROWER FURTHER WARRANTS, COVENANTS AND AGREES AS FOLLOWS:

1. Borrower shall faithfully perform the obligations of Lessor under the terms of the lease agreement. In the event of failure of Borrower to perform said obligations, Lender, at its sole discretion, may perform the obligations of the Landlord and add any expenditures incurred therein to Borrower's indebtedness to Lender, said expenditures to be secured by the Loan Documents and to accrue interest at the interest rate(s) described in the Loan Documents. In the event Lender exercises its right to fulfill the obligations of Landlord, Lender may collect and apply lease payments assigned hereunder first to the cost of performance and then to Borrower's indebtedness to Lender.

**LESSOR'S ASSIGNMENT OF LEASEHOLD INTEREST AND
 OPTION TO BUY (OREGON PROPERTY) - 1
 CIF/Note Nos. 36676-441 and -241**

2. In the event of Borrower's default, subject to the cure provisions in the Loan Documents, at its discretion, may declare all indebtedness secured hereby immediately due and payable. To enforce payment thereof, Lender may treat this Assignment as a real estate deed of trust or security agreement in which event Lender shall have all rights and remedies of a mortgagee or secured party under applicable laws and may be a purchaser at any foreclosure sale. Lender shall be entitled to recover reasonable attorney's fees, costs and other expenses incurred in the enforcement of this Assignment and in the collection of said indebtedness. In the event of judgment for Lender, if sale of the security results in only a partial satisfaction of judgment, any deficiency shall be a continuing obligation of Borrower.

3. It is agreed that this Assignment shall terminate at such time as the notes and Loan Documents above described shall be paid in full. Written notice from Lender shall be sufficient notice to Landlord, their successors or assigns, of the termination of this Assignment. Notice of termination shall not be given except upon fulfillment of this Assignment by remittance of a sum certain as specified above.

The intent of this Assignment is to increase the protection of the Lender under its deeds of trust of all or part of the land subject to the lease agreement described above. Nothing herein contained shall be construed to restrict or diminish such real estate deeds of trust to Lender.

This Assignment shall bind and inure to the benefit of the parties hereto, their heirs, legal representatives, successors and assigns. Borrower agrees to take any action requested to perfect or continue the lien and priority of the Loan Documents. This document or a memorandum thereof may be recorded.

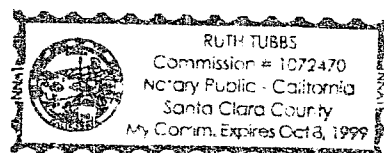
Agricultural Resources, a limited partnership

By: Robert D. Mune

Robert D. Mune, General Partner

STATE OF California)
) ss
County of Santa Clara)

On this 2nd day of March, 1999, before me personally appeared Robert D. Mune known to me to be the general partner in Agricultural Resources, the limited partnership which executed the within instrument, and acknowledged that he executed the same as such general partner and in the partnership name freely and voluntarily.



Ruth Tubbs
Notary Public for the State of California
Residing at 146 Main St. Los Altos
My commission expires 10-8-99

Lender acknowledges that this assignment is subject to a security interest in favor of AgAmerica, FCB (Bank) and by its acceptance hereof and pursuant to and in confirmation of certain agreements and assignments by and between Lender and Bank, does assign, transfer, and set over the same unto Bank, its successors and assigns, to secure all obligations of Lender to Bank, provided that pursuant to such agreements and assignments Lender has authority to perform all loan servicing and collection actions and activities hereunder, including without limitation thereto, releasing in whole or in part and foreclosing judicially or otherwise this mortgage unto the Bank, by instrument recorded in the office in which this mortgage is recorded, revokes such authority. Provided, however, this paragraph shall not be effective if Bank is the Lender in this transaction.

Agri Resources, la.doc

Lessor's Assignment of Leasehold Interest
And Option to Buy (Oregon Property)

OREGON PROPERTY

PARCEL 1

NW1/4NE1/4, S1 2NE1/4 and SE1/4 of Section 36, Township 37 South, Range 11 1/2 East of the Willamette Meridian, Klamath County, Oregon

EXCEPTING THEREFROM:

A tract of land being a portion of Parcel 2 of "Minor Land Partition 15-90", Situated in the W1/2E1 2 and the NE1/4NW1/4 of Section 36, Township 37 South, Range 11 1 2 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the North 1/4 corner of said Section 36; thence North 89 degrees 05'03" East 1,323.78 feet to the East 1/16 corner common to Sections 25 and 36 and the West line of that tract of land owned by Mike and Donna Russell; thence South 00 degrees 21'57" West, along the said tract of land, 1,320.15 feet to a fence corner; thence the following courses and distances generally along an existing fence line; South 88 degrees 49'15" West 114.29 feet, South 00 degrees 14'09" East 1 318.34 feet, South 00 degrees 05'02" East 962.47 feet and South 89 degrees 25'11" West 1,132.76 feet; thence South 89 degrees 25'11" West to a point on the center line of Squaw Flat road on the West boundary line of said Parcel 2, 26.9 feet more or less; thence the following courses and distances along said boundary; North 00 degrees 10'06" West 2,732.58 feet along the arc of a curve to the left (radius equals 1,909.86 feet and central angle equals 05 degrees 00'00") 166.67 feet, North 05 degrees 10'06" West 546.22 feet and along the arc of a curve to the left (radius equals 954.93 feet and central angle equals 09 degrees 09'08") 152.54 feet, North 89 degrees 05'03" West 42.65 feet to the point of beginning, with bearings based on "Minor Land Partition 15-90".

Subject to: A 20 foot wide irrigation easement, the centerline of which is more particularly described as follows:

Beginning at a point on the South line of the above described tract of land from which the Southeast corner of said Tract of land bears North 89 degrees 25'11" East 587.87 feet; thence North 31 degrees 11'49" East 1,132.14 feet to a point on the East boundary line of the said tract of land.

PARCEL 2

W1/2NE1/4 and all that portion of the NW1/4SE1/4 of Section 1 Township 38 South, Range 11 1/2 East of the Willamette Meridian, Klamath County, Oregon lying North of the center of the County Road running Easterly and Westerly through said tract as said County Road presently exists on the ground.

STATE OF OREGON - COUNTY OF KLAMATH

Filed for record at request of Amerititle the 1st day of April A.D. 1999 at 9:11 o'clock A.M. and duly recorded in Vol. M99 of Mortgages on Page 11616

Linda Smith, County Clerk

FEE \$30.00

by Linda Smith