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B. O. BOX 1000

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ASSIGNMENT
CONTRACT OF SALE

Vol. 181 Page 18103

THIS AGREEMENT made this 9th day of October, 19 81, at Grants Pass, Oregon
Josephine County, Oregon between Donald R. Deardorff and Oelo M. Deardorff

called Assignor, and THE OREGON BANK, hereinafter called Assignee.

WITNESSETH:

In consideration of Assignee's loan to Assignor of the sum of sums given or provided for the use and benefit of Fourply, Inc. in the amount of Three million and no/100 dollars (\$ 3,000,000.00), Assignor hereby assigns, transfers and sets over unto Assignee all of the Assignor's rights and interests in and to the written and attached Contract of Sale dated July 20, 1976 between Robert P. Tracy and Iris L. Tracy, husband and wife as Seller, and John Nikola and Clyde Gillam* as Purchaser,

by the terms of which Purchaser agrees to purchase from Seller the following described real property:
*Subsequent Assignment dated December 6, 1978 to Myron L. Newell and Beverly R. Newell, husband and wife. Subsequent Assignment recorded October 20, 1980 to Donald R. Deardorff and Oelo M. Deardorff, husband and wife

ALL in Township 39 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon:

Section 3: Lot 4; ~~SW1/4, NW1/4~~

Section 4: Lot 1; ~~SE1/4, NE1/4~~

IT IS FURTHER AGREED that this Assignment is for the purpose of security only, and shall cease and be of no effect on full payment and satisfaction of the above described indebtedness. This Agreement secures the above indebtedness, as well as any and all other indebtedness of Assignor to Assignee, whether such indebtedness is now outstanding or comes into existence in the future. It is further agreed that by this Agreement Assignor expressly conveys and transfers to Assignee the said Assignor's rights to payment and vendor's lien under the above described Contract of Sale, Assignor retaining only the legal title to the real property described herein. Assignor also assigns to Assignee all securities, guarantees, warranties, indemnity agreements, maintenance agreements, insurance policies and other agreements pertaining to said Contract of Sale and the property described therein.

IT IS FURTHER AGREED that Assignee does not assume and shall not be subject to any obligation or liability of Assignor to perform any of its covenants, warranties or agreements pursuant to said Contract of Sale. Assignor agrees that it will perform all of its obligations, if any, under the Contract of Sale.

IT IS FURTHER AGREED that Assignor hereby constitutes and appoints Assignee as its true attorney in fact, but without obligation to do so; to demand, receive and enforce payment; to give receipts, releases and satisfactions for, and to sue for, all monies owing under said Contract of Sale; to make extension agreements with respect to the rights assigned hereunder, release persons liable thereon for securities for the payment thereof, compromise disputes in connection therewith; and exercise all rights of Assignor upon default, including rights of foreclosure; all provided that Assignee act in good faith and in the belief that such actions will not materially increase the risk of non-payment thereof. Assignee shall only be accountable for such sums as are actually received by it.

IT IS FURTHER AGREED that Assignee may in its name or in the name of Assignor prepare, execute and file or record financing statements, continuation statements, and like papers to perfect, preserve or release the rights evidenced by this Agreement.

IT IS FURTHER AGREED that Assignor will pay all costs and expenses including reasonable attorney's fees, and including any attorney's fees on appeal, incurred by Assignee in the preservation, realization, enforcement, defense and exercise of the rights, powers, remedies and collateral of Assignee and obligations of Assignor hereunder.

IT IS FURTHER AGREED that Assignor will pay all costs and expenses including reasonable attorney's fees, and including any attorney's fees on appeal, incurred by Assignee in the preservation, realization, enforcement, defense and exercise of the rights, powers, remedies and collateral of Assignee and obligations of Assignor hereunder.

IT IS FURTHER AGREED that the following shall be events of default hereunder for the Assignor: failure to pay any debt secured hereby when due; failure to perform any obligation secured hereby when the same should be performed; breach of any covenant, warranty or agreement contained herein; filing of a petition by or against Assignor under the bankruptcy or like law; receivership of Assignor or assignment for the benefit of creditors; attachment or like levy on any property of Assignor; any financial statement by Assignor to Assignee proves false; the insolvency or cessation of the business of Assignor, or any surety or guarantor of Assignor's obligation; or the occurrence of any sale of all or a substantial part of Assignor's assets other than in the ordinary course of business.

IT IS FURTHER AGREED that upon occurrence of any of the above events of default, Assignee shall have the right to declare immediately due and payable all or any indebtedness secured hereby and to terminate any commitments to make loans or otherwise extend credit to Assignor: Assignee shall have all other rights, privileges, powers and remedies provided by law; the rights, privileges, powers and remedies of Assignee shall be cumulative; no single or partial exercise of any of them shall preclude the further or other exercise of the same or any other or them.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 9th day of October, 19 81.

Donald R. Deardorff
Donald R. Deardorff

Oelo M. Deardorff
Oelo M. Deardorff

THE OREGON BANK
By: V. N. Syverson
Vice President - Manager

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gao

18110

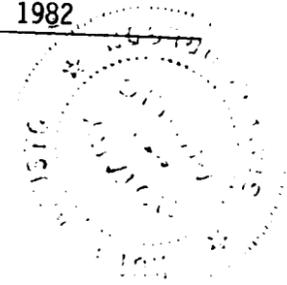
STATE OF OREGON)
County of Josephine) ss.

On this 9th day of October, 19 81, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Donald R. Deardorff, Oelo M. Deardorff and V. N. Syverson known to me to be the identical individual S described in and who executed the within instrument and acknowledged to me that they executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Ruth Lewis
Notary Public for Oregon

My commission expires: July 23, 1982



STATE OF OREGON)
County of _____) ss.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record ~~at request of~~
this 15TH day of October A. D. 19 81 at 1:38 o'clock P.M., and
duly recorded in Vol. M81, of Deeds on Page 18109

By Evelyn Bienn County Clerk
EVELYN BIENN, County Clerk

Fee \$8.00

-2- ASSIGNMENT

Oregon Bank
P. O. Box 1056
Medford, OR 97501