

ASSIGNMENT AND MORTGAGE

For value received, Louis Luciani and Dorothy Luciani, husband and wife, ("Assignor") assign and convey the following described property ("Collateral") and grant a security interest therein to First Interstate Bank of Oregon, N.A. ("Bank"), its successors and assigns: all Assignor's right, title, and interest in and to that certain Land Sale Contract ("Contract") dated October 15, 1979, by and between Ray L. Atchison and Dorothy L. Atchison, husband and wife, as seller and Louis L. Luciani and Dorothy Luciani, as purchaser, for the sale and purchase of that certain property described on Exhibit A attached hereto, together with the property, real and personal, described in Contract. This conveyance is intended as a mortgage to secure performance of the covenants and agreements herein contained and to be by Assignor kept and performed. Where reference is made to "assignment" it shall, where applicable, mean assignment and mortgage.

Assignor warrants to Bank that he has not heretofore transferred or assigned said Collateral or any right or interest therein or thereto.

Assignor covenants to and with Bank that he will strictly and promptly perform each of the terms, conditions, covenants, and agreements contained in Collateral to be performed by him.

This assignment is made as security for any sums due or to become due under the terms of that certain guarantee dated January 7, 1983, given by Assignors to Bank wherein Assignors guarantee to Bank the payment of any and all indebtedness of Luciani Enterprises, Inc., not to exceed \$45,361.81 together with interest and any costs that may be incurred in enforcing the payment thereof.

It is expressly understood that Bank does not hereby assume to pay or perform any obligations of Assignor to seller, nor to pay or perform any obligations of Assignor with respect to the real property and Assignor does hereby indemnify Bank as to such obligations provided, however, it is understood and agreed that upon default by Assignor in payment or performance of its obligations (1) to seller under Collateral, or (2) under this assignment or any other agreement of Assignor with Bank, Bank may, at its option pay or perform Assignor's obligations to seller.

Assignor does hereby constitute and appoint Bank, its successors and assigns, his true and lawful attorney in fact, irrevocable, with full power of substitution, to enforce the obligations of seller to Assignor, demand and receive a deed to the property described in said Contract in accordance with the terms and conditions of Collateral and take possession thereof. In its own right or in the place and stead of Assignor, and in furtherance thereof, Bank may take any action or institute or take part in any proceeding, either in its own name or in the name of Assignor, which Bank, in its sole discretion deems necessary, convenient, or proper to protect or enforce its or Assignor's rights in Collateral. The foregoing powers are given as security for an indebtedness and shall be irrevocable and in full force and effect until renounced by Bank.

If Bank demands a deed from seller to the above described property, seller shall be under no obligation to determine that any indebtedness hereby secured is owing prior to delivery of such deed and delivery to Bank of such deed shall constitute a complete acquittance of seller's obligations to Assignor under Collateral to the extent the deed conforms to the requirements of Collateral.

Assignor shall pay to Bank upon demand, any and all expenses, including reasonable attorney fees, incurred or paid by Bank without suit or action in protecting its rights upon or under this assignment. In the event suit or action is instituted in connection with any controversy between Assignor and Bank arising out of this assignment, the prevailing party shall be entitled to recover, at trial or on appeal, such sums as the court may adjudge reasonable as attorney fees, in addition to costs and necessary disbursements. Moreover, Assignor shall pay to Bank upon demand, any and all expenses including reasonable attorney fees, incurred or paid by Bank with or without any suit or action in protecting its rights as against any third party upon or under this assignment.

Assignor agrees that at any time or from time to time, upon written request of Bank, he will execute and deliver such further documents and do such further acts and things as Bank may request in order to further effect the purposes of this assignment.

In the construction of this agreement, the singular includes the plural and the masculine pronouns include the feminine and neuter.

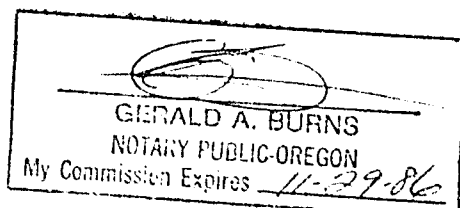
IN WITNESS WHEREOF, Assignor has executed this assignment this 4th day of March, 1983.

Louis Luciani
Louis Luciani

Dorothy Luciani
Dorothy Luciani

STATE OF OREGON)
 : ss
County of Jackson)

The foregoing instrument was acknowledged before me this 4th day of March, 1983, by Louis Luciani and Dorothy Luciani.



Notary Public for Oregon
My Commission expires:

Return to : First Interstate Bank
67 E. Main
Ashland, OR 97520
Attn: Jerry Burns

THIS CONTRACT, Made this 15 day of October, 1979, between
Ray L. Atchison and Dorothy L. Atchison, husband and wife,
Louis Luciani and Dorothy Luciani, _____

and Louis Luciani and Dorothy Luciani, husband and wife, witnesses: That in consideration of the sum of \$100,000, the wife agrees to sell unto the husband, the husband and wife, her interest called the will,

WITNESSETH: That in consideration of the mutual covenants and agreements herein contained, the seller agrees to sell unto the buyer and the buyer agrees to purchase from the seller all of the following described lands and premises situated in _____ County, State of _____, to-wit: Lot 16 of LLOYDS TRACTS, in the County of Klamath, State of _____.

Subject, however, to the following:

1. Regulations, including the levies, liens and utility assessments of the City of Klamath Falls.
2. Regulations, including levies, assessments of rights and easements for ditches and canals, of Klamath Irrigation District.
3. Regulations, including levies, assessments of easements of the South Suburban Sanitary District.
4. Sewer easement, set back lines, conditions of way and Klamath Irrigation District, including the terms and provisions imposed by Klamath Irrigation District, including the terms and provisions thereof set out on the plat, and in the dedication of Lloyd's Tracts.

payable on the 15 day of each month by check or money order payable to the order of the seller (the purchase price), on account of which Thirteen thousand and no/100 Dollars (\$13,000.00) is paid on the acquisition bond (the receipt of which is hereby acknowledged by the seller). The buyer agrees to pay the remainder of said purchase price (to-wit: \$30,900.00) to the seller in monthly payments of not less than Two hundred sixty and no/100 Dollars (\$260.00) each, or more, prepayment without penalty.

...beginning with said purchase price is fully paid. All of said purchase price may be paid at any time; the minimum monthly payments above required. Taxes on said premiums for the current tax year shall be paid ...

[illegible]

STATE OF OREGON,

County of _____
 I certify that the within in-
 strument was received for record on the
 day of _____ 19____
 at _____
 In book _____
 file/roll number _____
 Record of Deeds of said county.
 Witness my hand and seal of
 County aforesaid.

 Recording Officer

[illegible][illegible]

STATE OF OREGON,
County of Clatsop
)
 ss. STATE OF OREGON

County of Multnomah }
October 5, 1879. }
Personally appeared the above named, Roy L. }
Atchinson and Dorothy L. Atchinson, each for himself, and not one for the other, did say that the persons }
named above, Roy L. Atchinson and Dorothy L. Atchinson, }
were husband and wife, and Louis Luciani - }
and the said Roy L. Atchinson did depose and say that the latter }
the said Louis Luciani was not the husband of the said Dorothy L. Atchinson.

[illegible][illegible]

Buyers specifically agree to pay the full contract balance on or before November 15, 1984.

STATE OF OREGON; COUNTY OF KLAMATH; B.

Filed for record at request of _____
 _____ day of _____ A. D. 19____ at _____ o'clock _____ M. am
 _____ duly recorded in Vol. _____ of _____ on Page _____
 W. D. MILNE, County Clerk

W. D. MILNE, County Clerk
by Donaldson J. Appleton

4772

TO: FIRST INTERSTATE BANK OF OREGON, N.A.

The undersigned hereby acknowledges notice of the foregoing assignment and mortgage by receipt of a copy thereof. The undersigned has not received notice of any prior assignment or mortgage of the collateral described therein. The undersigned agrees to give Bank notice of any default by Assignor in payment or performance of any of Assignor's obligations under the collateral and a reasonable period within which Bank may correct such default or cause the same to be corrected prior to exercising any of the undersigned's rights or remedies under the collateral. Undersigned agrees to deliver a deed to the above described property to Bank in accordance with the terms of the collateral, upon demand by Bank and fulfillment by Bank of Assignor's obligations under the collateral.

Dated March 23, 1983

Ray L. Atchison
Ray L. Atchison

Dorothy L. Atchison
Dorothy L. Atchison

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record

this 31st day of March, A.D. 1983 at 11:48 A.M. and
duly recorded in Vol. M83 of Mortgage on page 4769

16.00

By Evelyn B. Ehn
EVELYN B. EHN, County Clerk