

ASSIGNMENT OF PROMISSORY NOTE

DATE: March 15, 1984

PARTIES: RUTH H. TEASDEL
501 Hampton Road
Piedmont, California 94611

ASSIGNOR

KLAMATH COLD STORAGE, INC.,
an Oregon corporation
P. O. Box 1210
Klamath Falls, Oregon 97601

ASSIGNEE

R E C I T A L S:

A. Assignor, on or about December 3, 1974, became the payee and owner of a certain Promissory Note in the face amount of \$1,350,000.00 from The Double D Land Co., a partnership. There is now due and owing on said Promissory Note to the Assignor herein the sum of \$947,434.96 with interest paid to March 12, 1984. A copy of said Promissory Note is attached hereto and marked as "Exhibit A" and incorporated herein and hereinafter called the "Promissory Note".

B. On or about August 31, 1979, Assignor borrowed \$1,000,000.00 from First National Bank of Oregon at its Klamath Falls Branch for the purpose of financing Klamath Cold Storage, a sole proprietorship. There is now due and owing on said bank note the sum of \$705,952.52 with interest paid to February 15, 1984. A copy of said bank note is attached hereto and marked as "Exhibit B" and incorporated herein and hereinafter called the "Bank Note".

C. To secure the Bank Note, Assignor, on August 31, 1979, assigned her interest in the Promissory Note as security for the Bank Note. A copy of said Assignment is attached hereto and marked as "Exhibit C" and hereinafter called the "Assignment".

D. On April 1, 1982, Assignor incorporated Klamath Cold Storage and became the sole shareholder of Klamath Cold Storage, Inc., an Oregon corporation. The Promissory Note was entered as an asset on the books of Klamath Cold Storage, Inc. Neither Note was formally assigned nor assumed.

1. ASSIGNMENT

E. The parties hereto find it necessary and advisable to have the Assignor formally assign her interest in the Promissory Note to Assignee and to have Assignee assume and agree to pay the Bank Note on the terms and conditions set forth below:

A G R E E M E N T:

1. Assignment. Assignor hereby assigns all of her interest in the Promissory Note to the Assignee subject to the interest of First National Bank of Oregon, Klamath Falls Branch in said Promissory Note as evidenced by the Assignment.
2. Covenants. Assignor covenants as follows:
 - (a) She is the owner of said Promissory Note.
 - (b) Her interest is free and clear of all liens and encumbrances except for the interest of First National Bank of Oregon, Klamath Falls branch.
 - (c) The obligor under the Promissory Note is not in default thereon.
3. Assumption. The Assignee hereby agrees to assume the obligation of the Bank Note and agrees to defend, indemnify and hold Assignor harmless therefrom.
4. Obligation of Assignor. The parties hereto understand and agree that the assumption by Assignee of the Bank Note does not relieve the Assignor of her obligation to First National Bank of Oregon, Klamath Falls Branch, however, Assignee agrees to be bound and obligated to said bank on said obligation.
5. Attorney Fees. In the event action is instituted to enforce any term of this Assignment, the prevailing party shall recover from the losing party reasonable attorney fees incurred in such action as set by the Court and in the event of appeal, as set by the Appellate Court.

ASSIGNOR

Ruth H. Zemel
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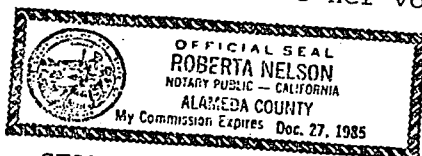
ASSIGNEE

Klamath Cold Storage, Inc. an
 Oregon corporation

BY: Dorman Passmore

STATE OF California)
 County of Alameda) ss.

Personally appeared the above-named Ruth H. Teasdel on the 17th day of March, 1984, and acknowledged the foregoing instrument to be her voluntary act and deed. Before me:



Roberta Nelson
 Notary Public for California
 My Commission expires: 12/27/85

STATE OF OREGON)
 County of Klamath) ss.

Personally appeared Truman Passmore on the 15th day of March, 1984, who, being sworn, stated that he is the Vice-President of Klamath Cold Storage, Inc. and that the above instrument was signed on behalf of said corporation on authority of its Board of Directors; and they acknowledged said instrument to be its voluntary act. Before me:



Susan H. Passmore
 Notary Public for Oregon
 My Commission expires: 10-31-87

PROMISSORY NOTE

Exhibit A

4408

Page 1 of 2
Los Angeles, California
December 3, 1974

\$1,350,000.00

In installments as herein stated, for value received, the undersigned promises to pay RUTH H. TEASDEL ("Teasdel"), or order, at such place(s) as shall be designated in writing by Teasdel, the sum of \$1,350,000.00 with interest from the date hereof on the unpaid principal at the rate of 9% per annum.

Principal and interest, at the rate of 1% (or more) per month, shall be paid on the annual anniversary date of this note, commencing December 3, 1975, with all unpaid principal and interest due and payable December 3, 1984.

Concurrent with the execution hereof, the undersigned shall pay Teasdel interest on the principal sum for the period from the date hereof to December 31, 1975. Further, the undersigned, in order to induce Teasdel to make the loan evidenced by this promissory note, shall pay to Teasdel, as additional interest, the sum of 3-1/2% of the principal of the promissory note.

The undersigned shall have the right and option to prepay each year's interest (after the first year's interest which is being paid concurrently with the execution hereof) on each anniversary date, provided that the undersigned gives Teasdel written notice of its election to do so no later than November 1, 1975.

Notwithstanding anything to the contrary, Teasdel shall have the right to require the undersigned to pay a principal payment on the promissory note in the sum of \$150,000 by giving written notice to the undersigned, c/o Gang, Tyre & Brown, 6400 Sunset Boulevard, Hollywood, California 90028, Attention: Stanley P. Gold, between September 1, 1975 and

November 15, 1975 and said principal payment of \$150,000 shall be made by the undersigned not later than 30 days after receipt of such notice. If no such notice is given by Teasdel, said \$150,000 principal payment is due and payable February 1, 1976.

The undersigned reserves the right to prepay all or any portion of the principal of this note prior to the due date. This promissory note is secured by a mortgage on certain real property in Klamath Falls, Oregon, commonly known as The Running "Y" Ranch and the Skillet Handle Ranch. In the event of default, Teasdel agrees to look solely to such security to recover any unpaid portion hereof, and the undersigned shall not be personally liable for any deficiencies.

Each payment to be made hereunder shall be credited first on interest then due and the remainder on principal; and interest shall thereupon cease upon the principal so credited. Should interest not be paid, it shall thereafter bear like interest as the principal. Should default be made in the payment of any installment when due, the whole sum of principal and interest shall, at the option of Teasdel, become immediately due and payable. Principal and interest shall be payable in lawful money of the United States. If suit is instituted to enforce the terms of this note, the undersigned agrees to pay reasonable attorneys' fees and costs of such suit.

THE DOUBLE D LAND COMPANY
Partnership

By Roy Edward Disney
Roy Edward Disney

By Patricia Ann Disney
Patricia Ann Disney

By Peter H. Dailey
Peter H. Dailey

By Jacqueline Dailey
Jacqueline Dailey

ASSIGNMENT

For value received, RUTH H. TEASEL ("Assignor") assigns the following described property ("Collateral") and grants a security interest therein to FIRST NATIONAL BANK OF OREGON ("Bank"), its successors and assigns: All Assignor's right, title and interest in and to that certain mortgage dated April 20, 1979 by and between Brooks Resources Corporation as Mortgagor and Assignor as Mortgagee of that certain property described in Exhibit A attached to such Mortgage, together with the note or debt secured or intended to be secured by the Mortgage, and all moneys due or to become due thereunder. "Obligor" shall mean the account debtor, lessee, contract purchaser, or the other person(s) obligated for the payment of money, as the case may be.

Assignor warrants to Bank that:

- (i) Assignor is the absolute owner of Collateral;
- (ii) Assignor has not heretofore assigned or granted a security interest in Collateral or any sums of money due or to become due thereunder, or any right or interest therein or thereto;
- (iii) the full amount payable according to the terms of Collateral is justly owing and payable in accordance with the terms thereof;
- (iv) there are no defaults existing under Collateral;
- (v) there are no offsets or counterclaims to Collateral;

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

This assignment is made as security for the payment of any and all indebtedness now or at any time hereafter owing by Assignor to Bank, whether absolute, contingent, due or to become due, primary or secondary, and however evidenced.

Assignor hereby authorizes and directs Obligor to pay and deliver to Bank, upon Bank's demand to Obligor, all sums of money payable by the terms of Collateral and to accept the receipt of Bank therefor. Until Bank makes demand on Obligor, Assignor shall continue to collect the proceeds of Collateral. Assignor shall, at the request of Bank, hold the proceeds received from collection in trust for Bank without commingling the same with other funds of Assignor and shall turn the same over to Bank immediately upon receipt in the identical form received. Assignor shall, at the request of Bank, notify Obligor of Bank's interest in Collateral

and Bank may, itself, at any time so notify Obligor. Obligor shall be under no obligation to determine that any indebtedness hereby secured is owing or to see to the application of any sums of money paid to Bank and the receipt of Bank shall constitute a complete acquittance to the extent of any payment made to Bank by Obligor until Bank shall notify Obligor in writing that Assignor is no longer indebted to Bank.

It is expressly understood and agreed that Bank shall not be required or obligated in any manner to make any demand or to take any action to collect or enforce the payment of any amount which may have been assigned to it or to which it may have been entitled hereunder at any time or times.

This assignment is not a delegation or assignment to Bank of Assignor's duties or obligations under or in connection with Collateral. Bank's acceptance of this assignment does not constitute a promise by it nor does it in any way obligate it to perform any of Assignor's duties or obligations under or in connection with Collateral.

Assignor hereby appoints Bank, its successors and assigns, his attorney in fact, irrevocable, with full power of substitution, to demand, collect, receive, receipt for, sue and recover all sums of money which may now or hereafter become due, owing, or payable from Obligor in accordance with the terms of Collateral; to execute, sign and endorse any and all claims, instruments, receipts, checks, drafts, or warrants issued in payment therefor and to settle or compromise any and all claims arising under Collateral assigned to Bank and, in the place and stead of Assignor, execute and deliver its release and acquittance therefor; to file any claim or claims or to take any action or institute or take part in any proceedings, either in its own name or in the name of Assignor, or otherwise, which, in the discretion of Bank may seem to be necessary or advisable. This power is given as security for an indebtedness and the authority hereby conferred is and shall be irrevocable and shall remain in full force and effect until renounced by Bank.

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 assignment, the singular includes the plural and the masculine pronouns include the feminine and neuter. If more than one assignor executes this assignment the liability of each assignor shall be joint and several.

IN WITNESS WHEREOF, Assignor has executed this assignment this
31st day of August, 1979.

Ruth H. Teasdel
RUTH H. TEASDEL

The undersigned acknowledges receipt of a copy of the foregoing assignment on October 8, 1979. The undersigned has not received notice of any prior assignment of sums owing Assignor under or in connection with Collateral. Undersigned agrees not to assert against Bank any defense or claim which it may have against Assignor and undersigned agrees to pay Bank sums owing under or in connection with Collateral free of offset, counterclaim, or setoff.

Notwithstanding receipt of notice of the foregoing assignment, undersigned may continue to pay Assignor sums owing under or in connection with Collateral until Bank gives undersigned notice to the contrary. Upon receipt of such notice from Bank, undersigned agrees to pay all sums owing under or in connection with Collateral to Bank at the place specified by Bank in such notice.

Undersigned agrees not to make any advance payment of sums owing under or in connection with Collateral or to enter into any agreement modifying or altering Collateral without the prior written consent of Bank.

BROOKS RESOURCES CORPORATION
By *[Signature]*

STATE OF OREGON: COUNTY OF KLAMATH:ss
I hereby certify that the within instrument was received and filed for record on the 19th day of March A.D., 19 84 at 10:03 o'clock AM. and duly recorded in Vol M84, of Mortgages on page 4405.

Fee: \$ 40.00

EVELYN BIEHN, COUNTY CLERK
by: *Pam Smith*, Deputy.