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MTC-14824

ASSIGNMENT AND MORTGAGE

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For value received, WASHBURN ENTERPRISES, INC. ("Assignor"), assigns and conveys the following-described property ("Collateral"), including all monies due or to become due thereunder, and grants a security interest therein to FIRST INTERSTATE BANK OF OREGON, N.A. ("Bank"), its successors and assigns, all of its right, title, and interest in and to:

That certain Agreement of Sale dated December 12, 1977 between Washburn Enterprises, Inc., an Oregon corporation, as Seller, and ORE-CAL General Wholesale, Inc., an Oregon corporation, and William P. Pickett, as Buyers, for the sale of real property described in the Memorandum of Agreement, a copy of which is attached hereto as Exhibit A, and by this reference made a part hereof, recorded January 10, 1978 in Volume M78 on Page 556 of Deed Records of Klamath County, Oregon, together with the real property described therein.

This conveyance is intended as a mortgage to secure performance of the covenants and agreements herein contained and to be by the Assignor kept and performed. "Obligor shall mean the account debtor, escrow agent, lessee, contract purchaser, or the other person(s) obligated for the payment of money, as the case may be. Where reference is made to "Assignment" it shall, where applicable, mean "Assignment and Mortgage." "Escrow Agent" shall mean First Interstate Bank of Oregon, N.A., Klamath Falls, Oregon.

Assignor warrants to Bank that:

(1) Assignor is the absolute owner of Collateral;

(2) 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;

(3) the full amount payable according to the terms of Collateral is justly owing and payable in accordance with the terms thereof;

(4) there are no defaults existing under Collateral;

(5) there are no offsets or counterclaims to Collateral;

(6) as of the date of this assignment there is now unpaid and owing thereon $16,309.17.

Assignor shall not, without Bank's prior written consent, now or at any time, sell, pledge, transfer, assign, modify or terminate its interest in and to Collateral.

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

This assignment is made as security for the payment of Assignor's promissory note to Bank dated August 20, 1979 in the principal sum of $600,000.00, together with interest thereon in accordance with its terms and tenor, and together with any renewals or extensions thereof; and 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. The maturity date of the note is May 1, 1990.

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. 6375

Assignor hereby appoints Bank, its successors and assigns, its attorney in fact, irrevocably, 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; to execute in Assignor's name and deliver to Obligor on Assignor's behalf, at the time and in the manner specified by Collateral, a deed or bill of sale to property being purchased by Obligor pursuant to Collateral and described therein. This power is given as security for an indebted ness and the authority hereby conferred is and shall be irrevocable and shall remain in full force and effect until renounced by Bank.

Assignor hereby appoints Bank, its successors and assigns, its attorney in fact, irrevocably, with full power of substitution, to enforce the obligations of Vendor to Assignor, demand and receive a deed to the property described in said agreement for the sale of real property in accordance with the terms and conditions of Collateral and take possession thereof. In the place and stead of Assignor,and in furtherance thereof Bank may 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, Bank, in its sole discretion, may deem to be necessary, convenient, or proper to protect or enforce its or Assignor's rights in Collateral. These powers are 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.

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

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addition to costs and necessary disbursements. 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, it 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 and Mortgage.

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

IN WITNESS WHEREOF, Assignor has caused this assignment and mortgage to be executed by its duly authorized officer(s). this 30th day of April, 198~~4~~5 Oct

WASHBURN ENTRPRISES, INC.

By Dorman A Turner
Title: Pres.

By Irene Byrnes
Title: V. Pres

STATE OF OREGON)
County of Klamath :ss
)

The foregoing instruments was acknowledged before me the 30th day of April, 198~~4~~5 by Dorman A.Turner the President of Washburn Enterprises, Inc. on behalf of the corporation, and by Irene Byrnes, the Vice President of Washburn Enterprises, Inc. on behalf of the corporation.

(NOTARIAL SEAL)

CLARA CA... NOTARY PUBLIC STATE OF OREGON

Clara Cornella
Notary Public for Oregon
My Commission expires:
April 8, 1988

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

The undersigned acknowledges receipt of a copy of the foregoing assignment and mortgage on April 30, , 1984. The under signed has not received notice of any prior assignment of sums owing Assignor under or in connection with Collateral.

FIRST INTERSTATE BANK OF OREGON, N.A.

By ______________________

Title: Assistant Manager

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MEMORANDUM OF AGREEMENT

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KNOW ALL MEN BY THESE PRESENTS, That the undersigned WASHBURN ENTERPRISES, INC., an Oregon corporation, as seller, and ORE-CAL GENERAL WHOLESALE, INC., an Oregon corporation, and WILLIAM P. PICKETT, as buyers, have entered into an agreement of sale in writing under date of Dec. 12, 1977, wherein seller agreed to sell to buyers and buyers agreed to buy from seller the following-described real property, situated in Klamath County, Oregon, to-wit:

> A tract of land situated in Lot 1, Block 2, TRACT 1080, WASHBURN PARK, a duly recorded plat, said tract of land being the westerly 210 feet of the southerly 175 feet of said Lot 1, containing 0.84 acres. Subject to easements and encumbrances of record and those apparent on the ground.

The consideration recited in said contract of sale is the sum of $27,500.00.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Agreement to be executed this 12th day of Dec., 1977.

WASHBURN ENTERPRISES, INC.

By [signature]
President

By [signature]
Secretary

ORE-CAL GENERAL WHOLESALE, INC.

By [signature]
President

By [signature]
Secretary

[signature]
William P. Pickett

STATE OF OREGON
County of KLAMATH } ss. 12th Dec., 1977

Personally appeared DORMAN A. TURNER and JEWELL HUSTON, who, being first duly sworn, did say that they are the President and Secretary, respectively, of WASHBURN ENTERPRISES, INC., an Oregon corporation, and that the foregoing Memorandum of Agreement was signed on behalf of said corporation by authority of its board of directors; and they acknowledged said instrument to be its voluntary act and deed.

Before me:

[signature]
NOTARY PUBLIC FOR OREGON
My commission expires [illegible]

INDEXED

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Klamath County Title Co.

this 10th day of January A.D. 1978 at 11:58 o'clock A.M., and duly recorded in Vol. M78, of Deeds on Page 556

WM. D. MILNE, County Clerk

By [signature]

Return: MTC

STATE OF OREGON: COUNTY OF KLAMATH:ss

I hereby certify that the within instrument was received and filed for record on the 1st day of May A.D., 19 85 at 12:36 o'clock P M, and duly recorded in Vol M85, of Mortgages on page 6373.

EVELYN BIEHN, COUNTY CLERK

Fee: $ 25.00

by: [signature], Deputy