

K-37982

ASSIGNMENT OF JUNE 25, 1984 NOTE

For value received, pursuant to the Compromise and Purchase of Interest Agreement entered into as of July 15, 1985, Heller Financial Inc. assigns to Glanville Farms, Inc. and Ralph W. Scheidt the attached promissory note made by Klamath Studs, Inc. and payable to Heller, dated June 25, 1984 in the original principal amount of \$850,000.

This assignment is made and accepted without any representation, promise or warranty, either express or implied, and neither the assignee nor the executors, administrators, successors or assigns of the assignee shall have any recourse to the assignor or the successors of the assignor, in any event whatsoever. The assignee for the assignee's and the executors, administrators, successor and assigns of the assignee discharges

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the assignor and successors of the assignor from any liability
under or in connection with this assignment.

ENTERED into as of July 15, 1985.

HELLER FINANCIAL, INC.

By: [Signature] Date 8/28/85
Joseph M. VanLeuven
Attorney in Fact

ACCEPTED:

GLANVILLE FARMS, INC.

By: [Signature] Date 8/27/85
Ben Glanville, President

[Signature] Date 8/28/85
RALPH SCHEIDT

STATE OF OREGON)
County of Multnomah) ss.

On the 28th day of August, 1985 personally
appeared before me Joseph M. VanLeuven who, being duly sworn, did
say that he is the Attorney in Fact of Heller Financial, Inc., a
corporation, and that said instrument was signed in behalf of
said corporation by authority of its board of directors, and
acknowledged said instrument to be its voluntary act and deed.

[Signature]
NOTARY PUBLIC FOR OREGON
My Commission Expires 2/3/87

STATE OF OREGON)
County of Multnomah) ss.

On the 28th day of August, 1985 personally
appeared before me Ben Glanville who, being duly sworn, did say
that he is the President of Glanville Farms, Inc., a corporation,
and that said instrument was signed in behalf of said corporation
by authority of its board of directors, and acknowledged said
instrument to be its voluntary act and deed.

[Signature]
NOTARY PUBLIC FOR OREGON
My Commission Expires 2/3/87

ASSIGNMENT OF JUNE 25, 1984 NOTE

13897

STATE OF OREGON)
) ss.
County of Multnomah)

On the 28th day of August, 1985 personally
appeared before me the above named Ralph Scheidt and acknowledged
the foregoing instrument to be his voluntary act and deed.



M. Rude Koralnik
NOTARY PUBLIC FOR OREGON
My Commission Expires 2/3/87

13898

COLLATERAL NOTE

\$850,000

Portland, Oregon

June 25, 1984

FOR VALUE RECEIVED, the undersigned, KLAMATH STUDS, INC., an Oregon corporation; GLANVILLE FARMS, INC., an Oregon corporation; BECKER RANCH, INC., an Oregon corporation; BEN GLANVILLE; and RALPH SCHEIDT; jointly and severally promise to pay to the order of WALTER E. HELLER WESTERN INCORPORATED at its office, 111 S. W. Columbia Avenue, Portland, Oregon 97201, or at such other place as the holder hereof may appoint, Eight Hundred and Fifty Thousand Dollars (\$850,000), plus interest payable as follows:

1. Interest shall be paid on this note at an annual rate which is 3-1/2 points above prime rate. "Prime rate" is defined as that rate announced by First Interstate Bank of Oregon from time to time to be its prime rate regardless of whether some persons receive a different rate from such bank. The interest rate for each month shall be adjusted to exceed the prime rate most recently announced prior to the first day of such month; provided, however, that the interest rate for any month shall never be less than an annual rate of 12% regardless of prime rate. Interest shall be paid monthly on the first day of each month beginning with the first day of July, 1984, and shall be computed on the actual balances outstanding for the actual number of days such balances are outstanding. If interest is not paid when due, it shall be compounded by being added to the principal and shall thereafter itself bear interest as a part of principal.

2. In addition to interest payments, the undersigned shall make principal payments on this note at the rate of \$15,178.57 per month on the first day of each month beginning with November 1, 1984, and continuing May 1, 1989. On June 1, 1989, the undersigned shall repay the entire remaining balance of this note including both principal and any then unpaid accrued interest.

To secure the payment of the principal and interest of this note and all renewals and extensions of the same or any part thereof and any and all other sums, indebtedness and liabilities now or hereafter owing or to become owing from the undersigned to the holder hereof, howsoever created, arising, evidenced or acquired by said payee or holder, the undersigned has executed and delivered to the payee:

13899

1. Loan and Security Agreement
2. Mortgage
3. Assignment of Trust Deed
4. Chattel Mortgage Security Agreement
5. Pledge
6. Amendment to Mortgage and Assignment
7. Amendment to Trust Deed
8. Amendment to Assignment of License

hereinafter called "collateral," with full power and authority to the holder to transfer, assign, pledge or replace the same in whole or in part. In case of exchange of, or substitution for, or addition to the collateral, the provisions hereof shall extend to such exchanged, substituted, or additional collateral. ~~Upon the payment of this note, the holder may nevertheless retain the collateral to secure the payment of the other sums, indebtedness and liabilities, if any, for which the same is pledged. The~~ payee and every holder hereof are expressly released from all obligation or liability to protect, collect, demand payment of, protest or enforce any said collateral, or to take any action whatever in regard thereto or in regard to any goods or property represented thereby or thereto appertaining, or for any loss of or depreciation in the value of any thereof.

In addition to the principal and interest required to be paid herein the undersigned shall pay to the holder commissions, charges, collection expenses and reasonable attorney's fees (including such fees on any appeal) if placed with any attorney for collection. Demand, presentment for payment, protest, notice of non-payment or protest, is hereby waived by the maker and every endorser or guarantor hereof.

If this note or any renewal or extension thereof, or any other indebtedness or obligation secured hereby, or any installment or principal or interest upon any of the foregoing shall not be paid when due, or in case of default in the performance of any of the terms or provisions hereof, or of any other agreement with the payee or the holder of this note relating to said note or to the said collateral, or if the collateral shall have materially depreciated in value or if the undersigned becomes insolvent in a balance sheet sense or makes an assignment for the benefit of creditors, or if bankruptcy proceedings for reorganization under the National Bankruptcy Act, or proceedings for the appointment of a receiver, trustee or custodian for the undersigned or its property be commenced by or against the undersigned, or any execution or other writ issued against any of its property, or if for any reason the payee or holder hereof in its opinion shall reasonably deem itself insecure, the holder may, without notice or demand, declare the entire amount of this note and all other indebtedness or liabilities of the undersigned to the holder to be immediately due and payable and proceed to collect and enforce the same at once; and

The crossed out language remains in effect, but subject to para. 5. of the Loan & Security Agreement of the same date. For all notes.

13900

upon the occurrence of any of the events aforesaid, the holder hereof may at any time or from time to time, with or without declaring the indebtedness hereby evidenced or such other indebtedness or liabilities due and payable, and without demand, advertisement or notice of any kind, sell the whole or any part of the collateral hereby pledged, at public or private sale, or on any public exchange or brokerage board, for cash or on credit, on such terms as the holder may accept, and may apply the net proceeds, after deducting all costs, expenses and attorney's fees occurred at any time in the collection, protection, sale and delivery of said pledged collateral, to the payment of the sums owing on this note and any other indebtedness or liabilities of the undersigned to the holder hereof so far as such proceeds may reach, returning the excess, if any, to the undersigned on demand. The payee or holder hereof may bid and become the purchaser at any such sale.

The holder shall not be required to look to the collateral for the payment of this note, but may proceed against the undersigned in such manner as it deems desirable. None of the rights or remedies of the holder hereunder are to be deemed waived or affected by failure or delay to exercise same. All remedies conferred upon the holder by this note or any other instrument or agreement shall be cumulative and none is

exclusive, and such remedies may be exercised concurrently or consecutively at the holder's option.

13901

KLAMATH STUDS, INC.

By B. N. Glanville per

By [Signature]

GLANVILLE FARMS, INC.

By B. N. Glanville

By Margaret Glanville

BECKER RANCH, INC.

By B. N. Glanville per

By Margaret Glanville

[Signature]
Ralph Scheidt

[Signature]
Ben Glanville

Return to:

Derrick E. McGavic, Esq.
700 Country Club Road
Eugene Oregon 97401

4 - COLLATERAL NOTE

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of
of August

A.D. 19 85 at 12:13 o'clock P M., and duly recorded in Vol. M85
the 30th day
on Page 13895

FEE \$29.00

By Evalyn Biehn, County Clerk
Pam Smith