

MTC 35227 KR

1                                   **ASSIGNMENT OF PARTNERSHIP INTEREST**  
2                                   **AND**  
3                                   **SECURITY AGREEMENT**

4           THE UNDERSIGNED, Bob A. Dortch and Paula M. Dortch, in consideration of the  
5           sum of \$99,373.16, paid by Patricia R. Holman, Trustee of the Henry T. Holman  
6           Trust, as follows: \$17,500.00 on the execution of this Assignment, and  
7           \$81,873.16 together with interest at the rate of 9% per annum from April 19,  
8           1995, payable in monthly installments of not less than \$811.50 per month,  
9           inclusive of interest, the first installment due and payable on May 19, 1995, and  
10          a like installment on the 19th day of each month thereafter until April 19, 2005,  
11          when the full unpaid balance shall be due and payable, do assign to Patricia R.  
12          Holman, Trustee of the Henry T. Holman Trust, 50% of Bob A. Dortch and Paula M.  
13          Dortch's interest in the partnership known as Campus Square, organized for the  
14          purpose of carrying on the business of owning, building, altering, leasing and  
15          otherwise dealing with real and personal property, particularly the land and  
16          premises described as Lots 1, 2, and 3, Block 2, Replat No. 1, Sunnyside  
17          Addition, according to the official plat thereof on file in the office of the  
18          County Clerk, Klamath County, Oregon, EXCEPTING THEREFROM a parcel of land  
19          situated in Block 2 of "Replat No. 1 of Sunnyside Addition" to the city of  
20          Klamath Falls, Oregon, being more particularly described as follows: Beginning  
21          at a 1/2 inch iron pin marking the most Westerly corner of said Block 2; thence  
22          North 48 degrees 47' East along the South right of way line of Shallock Avenue,  
23          190.00 feet; thence leaving said right of way line South 32 degrees 49' East  
24          parallel to Dahlia Street, 80.00 feet; thence south 48 degrees 47' West parallel  
25          to said right of way line of Shallock Avenue, 190.00 feet to a 1/2 inch iron pin  
26          on the Easterly right of way line of said Dahlia Street; thence North 32 degrees  
27          49' West along said right of way line of Dahlia Street, 80.00 feet to the point  
28          of beginning, under the Partnership Agreement dated February 12, 1976, between  
29          Henry T. Holman, Patricia R. Holman and Melvin L. Stewart, which Partnership  
30          Agreement was subsequently amended and assigned. A copy of the Partnership  
31          Agreement and Amendments thereto is marked as Exhibit A, attached hereto, and  
32

1 incorporated herein by reference, hereinafter called Partnership. Patricia R.  
 2 Holman, Trustee shall sign a promissory note for the above-mentioned unpaid  
 3 purchase price. To secure the full and prompt payment of the promissory note,  
 4 Patricia R. Holman, as Trustee of the Henry T. Holman Trust, grants to Bob A.  
 5 Dortch and Paula M. Dortch, a security interest in all of Patricia R. Holman, as  
 6 Trustee of the Henry T. Holman Trust's interest in the Partnership known as  
 7 Campus Square. Patricia R. Holman, Trustee of the Henry T. Holman Trust,  
 8 covenants and agrees that she will make the payments to Klamath First Federal  
 9 Savings and Loan Association on loan no. 09-00913460 and 09-08113460 and will  
 10 hold Bob A. Dortch and Paula M. Dortch harmless therefrom. Patricia R. Holman,  
 11 as Trustee of the Henry T. Holman Trust, shall execute herewith UCC-1 Financing  
 12 Statement, which shall be filed with the Secretary of State and a UCC-1A  
 13 Financing Statement, which shall be recorded with the Klamath County Clerk. Bob  
 14 A. Dortch and Paula M. Dortch shall, on execution of this agreement, execute a  
 15 UCC-3 and UCC-3A Termination of Financing Statement. A copy of this Agreement,  
 16 the promissory note and the UCC-3 and UCC-3A Termination of Financing Statements  
 17 shall be placed in escrow at Klamath First Federal Savings and Loan Association  
 18 and the Parties to this Agreement shall enter into written escrow instructions  
 19 in form satisfactory to said escrow holder instructing said holder that when, and  
 20 if, Patricia R. Holman, Trustee shall have paid the balance of the promissory  
 21 note in accordance with the terms and conditions thereof, said escrow holder  
 22 shall deliver the instruments to Patricia R. Holman, Trustee of the Henry T.  
 23 Holman Trust. But, in the case of any default by Patricia R. Holman, Trustee of  
 24 the Henry T. Holman Trust, the escrow holder shall, on demand, surrender the  
 25 instruments to Bob A. Dortch and Paula M. Dortch.

26 Upon any default by Patricia R. Holman, Trustee of the Henry T. Holman  
 27 Trust, on the promissory note, the security agreement or upon any loan with  
 28 Klamath First Federal Savings and Loan Association covering the Partnership  
 29 property, Bob A. Dortch and Paula M. Dortch may declare the promissory note  
 30 immediately due and payable, and may exercise each and all of the rights and  
 31 remedies granted the Secured Party by the Uniform Commercial Code. If suit or

32

Assignment of Partnership Interest  
 and Security Agreement - Page 2

18301

action is instituted on this Agreement, or upon the promissory note, the prevailing party in said suit or action shall be entitled to recover from the other party reasonable attorney's fees to be fixed by the trial court, or the appellate court, if an appeal is filed.

So long as the payments on the promissory note and the payments to Klamath First Federal Savings and Loan Association are current, Patricia R. Holman, Trustee of the Henry T. Holman Trust, shall be entitled to vote the interest of the Partnership held by Patricia R. Holman, Trustee of the Henry T. Holman Trust. But, in the event that the promissory notes or any other obligations of this agreement, are in default, then Dortch shall be entitled to vote in any matter coming before the Partnership as if he was still an active partner in the Partnership.

Dated: April 19, 1995.

*Patricia R. Holman*  
Patricia R. Holman, Trustee of the Henry T. Holman Trust

*Bob A. Dortch*  
Bob A. Dortch

*Paula M. Dortch*  
Paula M. Dortch

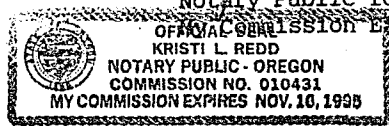
STATE OF OREGON )  
 ) SS  
County of Klamath )

4/20/95

Personally appeared the above-named Bob A. Dortch and Paula M. Dortch and acknowledged the foregoing instrument to be their voluntary act and deed.

*Kristi L. Redd*  
Notary Public for Oregon

STATE OF OREGON )  
 ) SS  
County of Klamath )



OFFICIAL COMMISSION Expires: 11/16/95

4/20/95

Personally appeared the above-named Patricia R. Holman, known to me to be the person described in the foregoing instrument and acknowledged that she executed the same in the capacity therein stated and for the purposes therein contained.

*Kristi L. Redd*  
Notary Public for Oregon  
My Commission Expires: 11/16/95



Assignment of Partnership Interest and Security Agreement - Page 3

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co the 21st day  
 of April A.D., 19 95 at 9:59 o'clock A M., and duly recorded in Vol. M95  
 of Deeds on Page 10088

FEE \$45.00

By Bernetha G. Letsch County Clerk  
Bernetha G. Letsch

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