ASSIGNMENT OF PARTNERSHIP INTEREST AND SECURITY AGREEMENT

MTC35227 KR

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

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incorporated herein by reference, hereinafter called Partnership. Patricia R. Holman, Trustee shall sign a promissory note for the above-mentioned unpaid purchase price. To secure the full and prompt payment of the promissory note, Patricia R. Holman, as Trustee of the Patricia R. Holman Trust, grants to Bob A. Dortch and Paula M. Dortch, a security interest in all of Patricia R. Holman, as Trustee of the Patricia R. Holman Trust's interest in the Partnership known as Campus Square. Patricia R. Holman, Trustee of the Patricia R. Holman Trust, covenants and agrees that she will make the payments to Klamath First Federal Savings and Loan Association on loan no. 09-00913460 and 09-08113460 and will hold Bob A. Dortch and Paula M. Dortch harmless therefrom. Patricia R. Holman, as Trustee of the Patricia R. Holman Trust, shall execute herewith UCC-1 Financing Statement, which shall be filed with the Secretary of State and a UCC-1A Financing Statement, which shall be recorded with the Klamath County Clerk. Bob A. Dortch and Paula M. Dortch shall, on execution of this agreement, execute a UCC-3 and UCC-3A Termination of Financing Statement. A copy of this Agreement, the promissory note and the UCC-3 and UCC-3A Termination of Financing Statements shall be placed in escrow at Klamath First Federal Savings and Loan Association and the Parties to this Agreement shall enter into written escrow instructions in form satisfactory to said escrow holder instructing said holder that when, and if, Patricia R. Holman, Trustee shall have paid the balance of the promissory note in accordance with the terms and conditions thereof, said escrow holder shall deliver the instruments to Patricia R. Holman, Trustee of the Patricia R. Holman Trust. But, in the case of any default by Patricia R. Holman, Trustee of the Patricia R. Holman Trust, the escrow holder shall, on demand, surrender the instruments to Bob A. Dortch and Paula M. Dortch.

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

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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 Patricia R. Holman Trust, shall be entitled to vote the interest of the Partnership held by Patricia R. Holman, Trustee of the Patricia R. 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, Trustee of the Patricia R. Holman Trust

Bob A. 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.

Notary Public for Oregon
My Commission Expires: 11/16/95

OFFICIAL SEAL
KRISTI L. REDD
NOTARY PUBLIC - OREGON
COMMISSION NO. 010431
MY COMMISSION EXPIRES NOV. 16, 1995

STATE OF OREGON)
) SS
County of Klamath)

4/20/95

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

OFFICIAL SEAL
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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 10094

Bernetha G. Letsch, County Clerk

FEE $45.00

By Lynette Haley