

After recording, return to:

Michael E. Arthur

Miller, Nash, Wiener, Hager & Carlsen

111 S.W. Fifth Avenue

Portland, Oregon 97204

Volume Page 29354

ASSIGNMENT OF REAL PROPERTY LEASES BY TENANT

25185

DATED AS OF: August 30, 1996

Collins Products LLC

1618 S.W. First Avenue, Suite 300

Portland, Oregon 97201 ("Tenant"); and

UNITED STATES NATIONAL BANK OF OREGON

Oregon Corporate Banking, T-4

111 S.W. Fifth Avenue

Post Office Box 4412

Portland, Oregon 97208 ("Bank")

Tenant has succeeded to the lessee's interest under two leases (the "Leases") each with Weyerhaeuser Timber Company as the original lessee and each dated June 15, 1956, true copies of which have been furnished to Bank. The Leases were recorded in the deed records of Klamath County, Oregon, July 17, 1956, at Volume 285, pages 85 and 88, and are further described as follows:

Lessor

Leased Property

I. Joe A. Jones and  
Arlyn M. Jones,  
husband and wife

The following described lands in Klamath  
County, State of Oregon:

A triangular shaped tract or parcel of  
land lying in the northwest corner of  
lot 1 of Midland Tract, Klamath County,  
Oregon, and more particularly described  
as follows:

Beginning at the northwest corner of  
Lot 1, Midland Tract, Klamath County,  
Oregon, said point being on the left  
bank of the Klamath River and bears N.  
0° 14' W. 4155.00 feet and N. 60° 23' W.  
1812.4 feet from the southeast corner of  
Section 19, Township 39 South, Range 9  
East, W.M.; thence S. 60° 23' W. a  
distance of 100 feet; thence  
southwesterly to a point S. 15° 24' E.  
120 feet from point of beginning; thence  
N. 15° 24' E., a distance of 120 feet to  
a point of beginning; and containing .11  
acres, more or less.

II. H.B. Largent  
and Mildred H.  
Largent;  
Roscoe R. Largent  
and Tillie Largent;  
each husband and  
wife

The following described lands in  
Klamath County, State of Oregon:

A strip of land 100.00 feet in width adjacent to and parallel with the left bank of the Klamath River, and lying in Section 19, Township 39 South, Range 9 East, and Section 24, Township 39 South, Range 8 East, W.M. being a strip across the northern end of Lots 2, 3, 4 and 5 of Midland Tract; and more particularly described as follows:

Beginning at the southeast corner of said Section 19; thence No. 0° 14' W. along the east line of said Section 19 a distance of 4155.00 feet; thence N. 60° 23' W. a distance of 1812.40 feet to the left bank of the Klamath River, said point being the true point of beginning; thence southwesterly along the left bank of the Klamath River a distance of 5200.00 feet, more or less, to a ditch that runs south, said ditch being the approximate west line of Lot 5 of said Midland Tract and containing 11.00 acres, more or less.

This assignment is executed and delivered to Bank as collateral security for loans or lines of credit made to Tenant or to a person affiliated with Tenant (the "Loans") by Bank contemporaneously herewith, and any extensions or renewals thereof and also as security for all other indebtedness of Tenant to Bank now existing or hereafter arising. Tenant acknowledges that the Loans will benefit Tenant, and that Bank would not make the Loans if it did not receive this assignment.

1. Assignment of Lease. In consideration of the Loans, and for other valuable consideration the receipt of which is hereby acknowledged, Tenant assigns to Bank all of Tenant's right, title, and interest in the Leases, as partial security for the Loans. The parties intend that this assignment will be a present transfer to Bank of all of Tenant's rights under the Leases, subject to Tenant's rights to use the Leased Property described above and enjoy the benefits of the Leases while not in default on any Loan or Lease. In the event Bank expends any funds or incurs any liability under this assignment, such amount or liability shall also be secured by this assignment.

2. Bank Liability. Bank does not assume any responsibility or liability whatsoever for the performance of any of the obligations of Tenant under the Leases by virtue of the acceptance of this assignment or exercise of any rights hereunder. Tenant shall continue to perform all obligations imposed upon it as Tenant under the Leases and Bank shall be under no duty or liability for such performance. Tenant will hold Bank harmless from any and all claims that may arise as a result of Tenant's failure to comply with any obligations imposed upon Tenant as lessee under the Leases.

3. Notice. Tenant will promptly inform Bank of any notice of default or prospective default Tenant receives under either Lease.

4. Curing Default. Bank shall have the right, but not the obligation, to cure any default under the Leases.

5. Possession, Foreclosure, and Transfer. Tenant agrees that in the event of default by Tenant under a Lease, Loan, or any note or agreement with Bank, Bank may, in its sole discretion, exercise any of the following rights, without notice to Tenant:

5.1 Take possession of the Leased Property described above.

5.2 Foreclose Tenant's interest in the Leases and Leased Property as permitted by law.

5.3 Reassign, sell, and/or sublet Tenant's interest in the Leases and/or the Leased Property subject to written approval of the lessors.

5.4 Exercise such other rights as it may be entitled to under law or otherwise.

6. General Provisions.

6.1 This assignment shall bind the successors, assigns, and heirs of the parties.

6.2 Tenant shall not terminate, amend, or modify the Leases without the written consent of Bank, except as provided in this assignment.

7. Signatures and Agreement. Tenant agrees to the terms of this assignment as of the date first above written. Bank may assign its rights hereunder to others.

TENANT:

COLLINS PRODUCTS LLC

By: OSTRANDER RESOURCES  
COMPANY, a member

By: [Signature]

Title: President

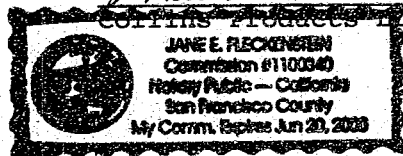
By: FREMONT LUMBER COMPANY,  
a member

By: [Signature]

Title: President

STATE OF CALIFORNIA )  
 ) SS  
COUNTY OF SAN FRANCISCO )

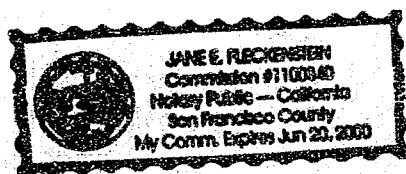
This instrument was acknowledged before me on August 28, 1996, by James Quinn as President of Ostrander Resources Company, a member of Collins Products LLC.



[Signature]  
Notary Public for \_\_\_\_\_  
My commission expires: \_\_\_\_\_

STATE OF CALIFORNIA )  
 ) SS  
COUNTY OF SAN FRANCISCO )

This instrument was acknowledged before me on August 28, 1996, by James Quinn as President of Fremont Lumber Company, a member of Collins Products LLC.



[Signature]  
Notary Public for \_\_\_\_\_  
My commission expires: \_\_\_\_\_

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STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Colleen L. McKellar the 17th day of Sept. A.D., 19 96 at 11:55 o'clock A. M., and duly recorded in Vol. M96 of Deeds on Page 29354.

FEE \$45.00

Bernetha G. Letsch County Clerk  
By Kathleen Reed