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ASSIGNMENT OF NOTE AND MORTGAGE

Vol M01 Page 31453

This Assignment of Note and Mortgage is made this 17th day of June, 2001 from ZIONS FIRST NATIONAL BANK ("Assignor") to U.S. BANK TRUST, NATIONAL ASSOCIATION, as Custodian/Trustee ("Assignee").

RECITALS

Assignor is the holder of a promissory note dated June 17, 2001 made by AMBROSE W. McAULIFFE and SUSAN J. McAULIFFE, husband and wife, GENEVA DRINKWATER, and JOE McAULIFFE CO., an Oregon corporation, to the order of Assignor in the original principal amount of \$750,000 (the "Note"). The Note is secured by a Mortgage encumbering real property in Klamath County, Oregon described on attached Exhibit A which was recorded 6-29-01, 2001 as Instrument No. MOI-31430, Records of Klamath County, Oregon (the "Mortgage"). The Note is also secured by other security instruments (collectively, the "Other Security Documents"). In connection with the Note, the Borrower executed and delivered to Assignor an Environmental Indemnity Agreement with respect to environmental condition of the property. Assignor wishes to assign its interest in the Note, the Mortgage, the Other Security Documents and the Environmental Indemnity Agreement to Assignee.

NOW, THEREFORE, ASSIGNOR, for good and valuable consideration and receipt of which is acknowledged hereby, assigns, sets over and transfers to Assignee, all of Assignor's right, title and interest in and to the Note and the indebtedness evidenced thereby, without recourse, and the Mortgage, the Other Security Documents and the Environmental Indemnity Agreement.

IN WITNESS WHEREOF, Assignor has executed this Assignment of Note and Mortgage on the date and year first written above.

ZIONS FIRST NATIONAL BANK

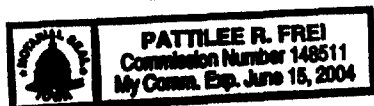
By:

Hugh A. Marsden
Its: Hugh A. Marsden
Assistant Vice President

STATE OF IOWA)
 (SS.
COUNTY OF STORY)

On this 15th day of June, A.D. 2001, before me a Notary Public in and for said State, personally appeared **Hugh A. Marsden**, to me personally known, who being by me duly sworn, did say that he is Assistant Vice President of **ZIONS FIRST NATIONAL BANK**, a Utah corporation, named in the foregoing instrument; that no seal has been procured by said corporation, and that said instrument was signed on behalf of the said corporation by authority of its Board of Directors, and the said **Hugh A. Marsden** acknowledged the execution of said instrument to be the voluntary act and deed of said corporation.

WITNESS my signature and official seal the day and year aforesaid, at Ames, Iowa.



Return TO: mark norby
900 S.W. Fifth Ave Ste 2300
Portland, OR 97204

Pattilee R. Frei
Pattilee R. Frei
Notary Public in and for the State of Iowa
My commission expires June 15, 2004

31.00 m

EXHIBIT A

PARCEL 1:

That portion of Section 17, Township 33 South, Range 7 ½ East, Willamette Meridian, Klamath County, Oregon, described as follows:

Beginning at a stone marking the corner common to Sections 8, 9, 16 and 17, Township 33 South, Range 7 ½ East, Willamette Meridian; thence West along the Section line, a distance of 9.78 chains, more or less, to the center of a stream channel known as Anna Creek Slough; thence Southeasterly along the center of the channel of said Anna Creek Slough to a point on the line between said Sections 16 and 17, which is 5.6 chains, more or less, South of the above mentioned corner; thence North 5.6 chains to the point of beginning; being that portion of the NE ¼ of the NE ¼ Section 17, Township 33 South, Range 7 ½ East of the Willamette Meridian Lying Northeasterly from Anna Creek Slough;

and

Lots 1, and 2, the NW ¼ of the SE ¼, the E ½ of the NW ¼, the NE ¼ of the SW ¼ of Section 16, and W ½ of the NW ¼ and the NW ¼ of the SW ¼ of Section 16, less that portion described as follows:

Beginning at a point on the line between Sections 16 and 17, Township 33 South, Range 7 ½ East, Willamette Meridian where a stream known as Anna Creek Slough crosses said section line and which point is 5.6 chains, more or less, South of the Corner of Sections 8, 9, 16 and 17, of said Township and Range; thence south along the section line between said Sections 16 and 17, a distance of 56.25 chains, more or less, to the Northwest corner of the SW ¼ of the SW ¼ of Section 16; thence East along the North line of the SW ¼ of the SW ¼ of said Section 16, a distance of 14.12 chains, more or less, to the center of the channel of Anna Creek Slough; thence Northwesterly along the center of the said channel to the point of beginning; being that portion of the West half of the NW ¼ and of the NW ¼ of the SW ¼ of Section 16, Township 33 South, Range 7 ½ East, Willamette Meridian, lying Southwesterly from the Anna Creek Slough.

PARCEL 2:

The S ½ of the SW ¼ and the SW ¼ of the SE ¼ of Section 16; the SW ¼, the N ½ of the NW ¼, the SW ¼ of the NW ¼, the NW ¼ of the NE ¼ and the E ½ of the NE ¼, in Section 21; all in Township 33 South, Range 7 ½ East, Willamette Meridian, Klamath County, Oregon.

EXCEPTING THEREFROM: Two acres, more or less, in the SW 1/4 SE 1/4 of Section 16, Township 33 South, Range 7 1/2 East, Willamette Meridian, more particularly described as follows: Commencing at the Southeast corner of said SW 1/4 SE 1/4; thence North a distance of 418 feet; thence West a distance of 209 feet; thence South a distance of 418 feet; thence East a distance of 209 feet to the place of beginning, being the same property conveyed to School District No. 7 by Deed recorded March 12, 1888 in Volume 3 at page 497 of Klamath County, Oregon Deed Records.

ALSO EXCEPTING THEREFROM: a strip of land 400 feet in width off the East side of the NE 1/4 NE 1/4, Section 21.

AND EXCEPTING a parcel described as: Beginning at a point 1,180 feet North of the Southeast corner of the NE 1/4 of Section 21, Township 33 South, Range 7 1/2 East, Willamette Meridian; thence West 175 feet; thence North 110 feet; thence East 175 feet; thence South 110 feet to the point of beginning.

AND EXCEPTING a parcel described as: Beginning at a point 1,180 feet North of and 175 feet West of the Southeast corner of the NE 1/4 of Section 21, Township 33 South, Range 7 1/2 East, Willamette Meridian; thence running West 200.5 feet; thence North 110 feet; thence East 200.5 feet; thence South 110 feet to the point of beginning.

AND EXCEPTING THEREFROM any portion lying within Nicholson Road.

PARCEL 3:

Two acres, more or less, in Lot 4, Section 16, Township 33 South, Range 7 1/2 East, Willamette Meridian, more particularly described as follows: Commencing at the Southwest corner of said Lot 4; thence East a distance of 210 feet; thence North a distance of 420 feet; thence West 210 feet; thence South 420 feet to the place of beginning, being the same property deeded to the Directors of School District No. 7 by Deed recorded March 12, 1888, in Volume 3, page 495 of Klamath County, Oregon Deed Records.

EXCEPTING THEREFROM any portion lying within Nicholson Road.

and

Two acres, more or less, in the SW 1/4 SE 1/4 of Section 16, Township 33 South, Range 7 1/2 East, Willamette Meridian, more particularly described as follows: Commencing at the Southeast corner of said SW 1/4 SE 1/4; thence North a distance of 418 feet; thence West a distance of 209 feet; thence South a distance of 418 feet; thence East a distance of 209 feet to the place of beginning, being the same property conveyed to School District No. 7 by Deed recorded March 12, 1888 in Volume 3 at page 497 of Klamath County, Oregon Deed Records.