

38-10281

GRM Bldg. Corp., Inc.

For value received, assigns the following described property ("Collateral") and grants a security interest therein to FIRST NATIONAL BANK OF OREGON, ("Bank") its successors and assigns: all of Assignor's right, title and interest in and to the rents due or to become due Assignor by the terms of any and all leases or agreements now or hereafter existing, however evidenced, covering all or a portion of the real property described below. The debtor under any of said Collateral is hereinafter designated "Obligor."

Lots 8, 9 and 10 Block 105 of Klamath addition to the City of Klamath Falls, Klamath Falls, Oregon.

Assignor warrants to Bank that:

- (i) he is the absolute owner of said collateral;
- (ii) he has not heretofore assigned or granted a security interest in the Collateral or any sums of money due or to become due thereunder, or any right or interest therein or thereto;
- (iii) the full amount payable according to the terms of the Collateral is justly owing and payable in accordance with the terms thereof;
- (iv) there are no defaults existing under the Collateral;
- (v) there are no offsets or counterclaims to the Collateral;
- (vi) as of the date of this assignment there is now unpaid and owing thereon \$ 185,000.00.

Assignor covenants to Bank that he will strictly and promptly perform each of the terms, conditions, covenants and agreements in the collateral contained on his part to be performed. This assignment is made as security for the payment of any and all indebtedness now or at any time hereafter owing by Assignor to Bank, whether absolute, contingent, due or to become due, primary or secondary and however evidenced. Assignor hereby authorizes and directs Obligor to pay and deliver to Bank, upon Bank's demand to Obligor, all sums of money payable by the terms of the Collateral and to accept the receipt of Bank therefor. Until Bank makes demand on Obligor, Assignor shall continue to collect the proceeds of the Collateral. Assignor shall, at the request of Bank, hold the proceeds received from collection in trust for Bank without commingling the same with other funds of Assignor and shall turn the same over to Bank immediately upon receipt in the identical form received. Assignor shall, at the request of Bank, notify Obligor of Bank's interest in Collateral and Bank may, itself, at any time so notify Obligor. Obligor shall be under no obligation to determine that any indebtedness hereby secured is owing or to see to the application of any sums of money paid to Bank and the receipt of Bank shall constitute a complete acquittance to the extent of any payment made to Bank by Obligor until Bank shall notify Obligor in writing that Assignor is no longer indebted to Bank. It is expressly understood and agreed that Bank shall not be required or obligated in any manner to make any demand or to take any action to collect or enforce the payment of any amount which may have been assigned to it or to which it may have been entitled hereunder at any time or times. This assignment is not a delegation or assignment to Bank of Assignor's duties or obligations under or in connection with collateral. Bank's acceptance of this assignment does not constitute a promise by it nor does it in any way obligate it to perform any of Assignor's duties or obligations under or in connection with collateral.

Assignor hereby appoints Bank, its successors and assigns, his attorney in fact, irrevocable, with full power of substitution, to demand, collect, receive, receipt for, sue and recover all sums of money which may now or hereafter become due, owing or payable from Obligor in accordance with the terms of the Collateral; to execute, sign and endorse any and all claims, instruments, receipts, checks, drafts or warrants issued in payment thereof and to settle or compromise any and all claims arising under the collateral assigned to Bank and, in the place and stead of Assignor, execute and deliver its release and acquittance therefor; to file any claim or claims or to take any action or institute or take part in any proceedings, either in its own name or in the name of Assignor or, otherwise, which, in the discretion of Bank may seem to be necessary or advisable; to execute in Assignor's name and deliver to Obligor, on Assignor's behalf, at the time and in the manner specified by the Collateral, a deed or bill of sale to property being purchased by Obligor pursuant to the Collateral and described therein. This power is given as security for an indebtedness and the authority thereby conferred is and shall be irrevocable and shall remain in full force and effect until renounced by Bank.

Assignor shall pay to Bank upon demand, any and all expenses, including reasonable attorney's fees, incurred or paid by Bank without suit or action in protecting its rights upon or under this assignment. In the event suit or action is instituted in connection with any controversy arising out of this assignment, the prevailing party shall be entitled to recover, at trial or on appeal, such sums as the court may adjudge reasonable as attorney's fees, in addition to costs and necessary disbursements.

Assignor agrees that at any time or from time to time, upon written request of Bank, he will execute and deliver such further documents and do such further acts and things as Bank may request in order to further effect the purposes of this assignment. In the construction of this agreement, the singular includes the plural and the masculine pronouns include the feminine and neuter. If more than one Assignor executes this assignment, the liability of each assignor shall be joint and several.

IN WITNESS WHEREOF, Assignor has executed this agreement this 19 day of January, 1976.

John E. Gerbert
A. Darrel Rusth

STATE OF OREGON

County of KlamathJanuary 19, 1976Personally appeared the above named John E.

Gerbert & A. Darrel Rusth
and acknowledged the foregoing instrument to be their voluntary act and deed.

OFFICIAL
(SEAL)

Before me:

Notary Public for Oregon

My commission expires: 11-7-77

STATE OF OREGON, County of Klamath
January 19, 1976

Personally appeared John E. Gerbert and A. Darrel Rusth who, being duly sworn,

each for himself and not one for the other, did say that the former is the Corporation president and that the latter is the Corporation secretary of GRM Bldg. Corp., Inc., a corporation,

and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed.

Before me:

Robert J. Anderson
Notary Public for Oregon
My commission expires: 11-7-77

OFFICIAL
(SEAL)

AFTER RECORDING RETURN TO:

FIRST NATIONAL BANK OF OREGON

Klamath Falls

601 Main Street

Klamath Falls, Oregon 97601

Attention: Steve Sorensen

STATE OF OREGON

County of Klamath

I certify that the within instrument was re-

ceived for record on the 19 day of January, 1976.at 11:11 o'clock A.M., and record-ed in book N 76 on page 1674, or as filenumber 9914, Record of

MARITAGES of said County.

Witness my hand and seal of County official.

W. D. MILNE

COUNTY CLERK

By *Hazel D. Hagel* Deputy

FEE \$ 3.00