

Richard Nelsen, Rex E. Griffith and Robbie N. Griffith ("Assignor")
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."

NOTES
See attached EXHIBIT "A"

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 thereon;
(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 \$ 72,000.00*****
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 Obligors to pay and deliver to Bank, upon Bank's demand to Obligors, all sums of money payable by the terms of the Collateral and to accept the receipt of Bank therefor. Until Bank makes demand on Obligors, 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, not collect or otherwise, which, in the discretion of Bank may seem to be necessary or advisable; to execute in Assignor's name and deliver to Obligors, 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 Obligors 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.
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. 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 Obligors 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 thereof; 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 Obligors, 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 Obligors 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 27th day of October, 1977.

Richard Nelsen
Richard Nelsen
Rex E. Griffith
Rex E. Griffith
Robbie N. Griffith
Robbie N. Griffith

STATE OF OREGON,
County of Klamath,
October 27, 1977,
Personally appeared the above named Richard Nelsen
Rex E. Griffith and Robbie N. Griffith

and acknowledged the foregoing instrument to be their voluntary act and deed.

Before me:
W.W. Keoney
Notary Public for Oregon
My Commission expires: July 10, 1981

STATE OF OREGON, County of _____, 19 ____.
Personally appeared _____, and _____ who, being duly sworn,
each for himself and not one for the other, did say that the former is the _____ president and that the latter is the _____ secretary of _____, 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:

Notary Public for Oregon
My commission expires: _____
(OFFICIAL SEAL)

AFTER RECORDING RETURN TO:
FIRST NATIONAL BANK OF OREGON
South Sixth Street
2809 South Sixth Street
Klamath Falls, Oregon 97601

STATE OF OREGON,
County of _____
I certify that the within instrument was received for record on the _____ day of _____, 19____, at _____ o'clock _____ M., and recorded in book _____ on page _____ of said County. Record of _____ of said County affixed.
By _____ Title _____ Deputy _____

20762

*****Richard Nelsen, Rex E. Griffith, and Robbie N. Griffith*****

*****hereinafter called "Mortgagor", and FIRST NATIONAL BANK OF OREGON, a national banking association, hereinafter called "Mortgagee":

WITNESSETH:

For value received by the Mortgagor from the Mortgagee, the Mortgagor has bargained and sold and does hereby grant, bargain, sell and convey into the Mortgagee, all the following described property situate in Klamath County, Oregon, to wit:

EXHIBIT "A"
A tract of land situated in the $W\frac{1}{2}NE\frac{1}{4}NW\frac{1}{4}$ of Section 10, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a $\frac{1}{2}$ inch iron pin at the intersection of the Southerly right of way line of Hilyard Avenue and the Westerly right of way line of Austin Street, said point being North $89^{\circ}06'00''$ West 688.60 feet and South $00^{\circ}05'16''$ East 30.00 feet from a $\frac{5}{8}$ inch iron pin at the centerline intersection of said Hilyard Avenue and Altamont Drive, marking the $N\frac{1}{4}$ corner of said Section 10; thence South $00^{\circ}05'16''$ East, along said right of way of Austin Street, 300.00 feet to an iron pin; thence North $89^{\circ}06'00''$ West 220.00 feet to an iron pin; thence North $00^{\circ}05'16''$ West 300.00 feet to an iron pin on the Southerly right of way line of said Hilyard Avenue; thence South $89^{\circ}06'00''$ East 220.00 feet to the point of beginning, with bearings based on survey No. 2020, as recorded in the Klamath County Surveyor's Office.

10/27/77 - R. Griffith
Robbie N. Griffith R. N.

STATE OF OREGON; COUNTY OF KLAMATH; ss.
Filed for record at request of MOUNTAIN TITLE CO
this 28th day of OCTOBER A. D. 1977 at 3:37 o'clock P. M., and
duly recorded in Vol. M77 of MORTGAGES on Page 20761
FEE \$ 6.00
Wm D. MILNE, County Clerk
By Bernetha D. Detach