

For value received, HARRY R. WAGGONER ("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 Assignor's right, title, and interest in and to that certain Mortgage dated October 24, 1979, by and between Norco, a partnership consisting of Ronald D. Cone, Bethel M. Cone, and Robert S. Gaddis; and Walter E. Remstedt, as his sole property, as Mortgagor, and Assignor as Mortgagee, recorded October 25, 1979, in Volume M79 of Mortgages, page 25160 in Klamath County, Oregon, securing that promissory note dated October 25, 1979, in the face amount of \$864,000.00, executed by the above named mortgagor, together with the moneys due or to become due thereunder in accordance with its terms and tenor. "Escrow Agent" shall mean Klamath County Title Company, Escrow No. 3180. "Obligor" shall mean the account debtor, lessee, contract purchaser, or the other person(s) obligated for the payment of money, as the case may be.

Assignor warrants to Bank that:

- (1) Assignor is the absolute owner of Collateral;
- (2) Assignor has not heretofore assigned or granted a security interest in Collateral or any sums of money due or to become due thereunder, or any right or interest therein or thereto;
- (3) the full amount payable according to the terms of Collateral is justly owing and payable in accordance with the terms thereof;
- (4) there are no defaults existing under Collateral;
- (5) there are no offsets or counterclaims to Collateral;

Assignor covenants to Bank that he will strictly and promptly perform each of the terms, conditions, covenants, and agreements contained in Collateral to be performed by Assignor.

This assignment is made as security for the payment of Assignor's promissory note to Bank dated July 14, 1981, in the principal amount of \$ 400,000.00, together with interest thereon in accordance with its terms and tenor, and together with any renewals or extensions thereof, and 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, or however evidenced.

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Assignor authorizes and directs Escrow Agent to pay and deliver to Bank all sums of money payable by the terms of Collateral and to accept the receipt of Bank therefor. Escrow Agent 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 Escrow Agent until Bank shall notify Escrow Agent 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, irrevocably, 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 Collateral; to execute, sign and endorse any and all claims, instruments, receipts, checks, drafts, or warrants issued in payment therefor and to settle or compromise any and all claims arising under 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. This power is given as security for an indebtedness and the authority hereby 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 fees, incurred and 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 between Assignor and Bank 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 fees, in addition

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to costs and necessary disbursements. Moreover, Assignor shall pay to Bank upon demand, any and all expenses including reasonable attorney fees, incurred or paid by Bank with or without any suit or action in protecting its rights as against any third party upon or under this assignment.

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 assignment, 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 assignment the 14th day of July, 1981.

[Signature]

STATE OF OREGON)

County of) ss

The foregoing instrument was acknowledged before me the 14th day of July, 1981, by Harry R. Waggoner.

(NOTARIAL SEAL)

E. C. Huff
Notary Public for Oregon
My Commission expires: 7-14-84

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of First Interstate Bank
this 15th day of July A.D. 1981 at 11:26 o'clock AM, and
duly recorded in Vol. MS1, of Mortgages on Page 12690.

By [Signature] EVELYN BERNI, County Clerk

Fee \$10.50

Return to:

First Interstate Bank of Oregon, Klamath Falls Branch
601 Main Street
Klamath Falls, Oregon 97601

ATTN: E. C. Huff

