

14644

ASSIGNMENT AND MORTGAGE

10658

For value received, DONALD R. CLAUNCH and BETTY J. CLAUNCH ("Assignor") assign and convey the following described property ("Collateral") and grant a security interest therein to FIRST INTERSTATE BANK OF OREGON, N.A. ("Bank"), its successors and assigns: all Assignor's right, title and interest in and to that certain Contract dated March 1, 1977, between Melvin W. McCollum, as seller, and Assignor as purchaser, and to that certain Memorandum of Agreement dated March 1, 1977, recorded May 13, 1977, in Book 77 at page 8346, records of Klamath County, Oregon, and the real property described in the Contract and more specifically described on Exhibit A attached hereto. Said property is subject to a mortgage dated May 19, 1971, recorded June 24, 1971 in Book M-71 at page 6575, official records of Klamath County to the Federal Land Bank of Spokane. This conveyance is intended as a mortgage to secure performance by Assignor of the covenants and agreements to be kept and performed by Assignor. Where reference is made to "assignment" it shall, where applicable, mean assignment and mortgage.

Assignor warrants to Bank that they have not previously transferred or assigned said Collateral or any right or interest therein or thereto.

Assignor covenants to and with Bank that they will strictly and promptly perform each of the terms, conditions, covenants, and agreements required of Assignor under the Collateral.

This assignment is made as security for the guaranty by Assignor of payment of a \$3,420,000 term debt of Stukel Rock & Paving, Inc. and any and all indebtedness of that corporation now or at any time in the future owing to Bank, whether absolute, contingent, due or to become due, primary or secondary, and however evidenced.

It is expressly understood that Bank does not hereby assume to pay or perform any obligations of Assignor to seller, nor to pay or perform any obligations of Assignor with respect to the real property and Assignor indemnifies Bank as to such obligations; provided, however, it is understood and agreed that upon default by Assignor in payment or performance of their obligations (1) to seller under Collateral, or (2) under this assignment or any other agreement of Assignor with Bank, Bank may, at its option pay or perform Assignor's obligations to seller.

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Assignor does hereby constitute and appoint Bank, its successors and assigns, their true and lawful attorney in fact, irrevocably, with full power of substitution, to enforce the obligations of seller to Assignor, to demand and receive a deed to the property described in said Contract in accordance with the terms and conditions of Collateral and to take possession thereof. In its own right or in the place and stead of Assignor, Bank may take any action or institute or take part in any proceeding, either in its own name or in the name of Assignor, which Bank, in its sole discretion deems necessary, convenient, or proper to protect or enforce its or Assignor's rights in Collateral. The foregoing powers are given as security for an indebtedness and shall be irrevocable and in full force and effect until renounced by Bank.

If Bank demands a deed from seller to the above described property, seller shall be under no obligation to determine that any indebtedness secured by this assignment is owing prior to delivery of the deed, and delivery to Bank of the deed shall constitute a complete acquittance of seller's obligations to Assignor under Collateral to the extent the deed conforms to the requirements of Collateral.

Assignor shall pay to Bank upon demand, any and all expenses, including reasonable attorney 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 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 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, they will execute and deliver any additional documents and do any further acts and things as Bank may request in order to further effect the purposes of this assignment.

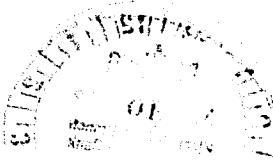
If more than one assignor executes this assignment the liability of each assignor shall be joint and several.

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IN WITNESS WHEREOF, Assignor has executed this assignment this 16th day of August, 1982.

Donald R. Claunch
DONALD R. CLAUNCH

Betty J. Claunch
BETTY J. CLAUNCH



STATE OF OREGON,

County of Klamath

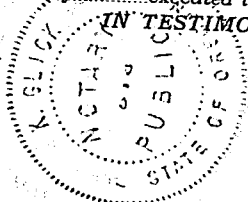
ss.

FORM NO. 23 — ACKNOWLEDGMENT
STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

BE IT REMEMBERED, That on this 16th day of August, 19 82, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Donald R. Claunch and Betty J. Claunch

known to me to be the identical individual(s) described in and who executed the within instrument and acknowledged to me that they executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.



Donald R. Claunch
Notary Public for Oregon.

My Commission expires June 16, 1986

Return to:

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

ATTN: Dennis Roach

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record

this 16 day of August A.D. 19 82 at 3:33 o'clock PM, and

duly recorded in Vol. M 82, of Mtge on Page 10658

Fee \$12.00

EVELYN BIEHN, County Clerk

By Donald R. Claunch