

COLLATERAL ASSIGNMENT OF NOTE AND TRUST DEED

KNOW ALL MEN BY THESE PRESENTS, that BURTON E. GRAY and THELMA JEAN GRAY, Assignors, for and in consideration of Ten Dollars and other valuable considerations to them paid by KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION, Assignee, do by these presents sell, transfer and assign unto said Assignee all of their right, title and interest in and to the following-described Note and Trust Deed:

Note and Agreement dated September 14, 1979, made and executed by Dair Magnuson and Lana B. Magnuson, as makers and payors, to the order of Burton E. Gray and Thelma Jean Gray, as payees, in principal sum of \$29,000.00 with interest, which Note and Agreement is secured by Trust Deed dated September 14, 1979, recorded September 18, 1979, in Book M79 at page 22213, Mortgage Records of Klamath County, Oregon, made and executed by Dair Magnuson and Lana B. Magnuson, husband and wife, as Grantor, to William P. Brandsness, as Trustee, and Burton E. Gray and Thelma Jean Gray, as Beneficiary, which is escrowed at Klamath First Federal Savings and Loan Association.

TO HAVE AND TO HOLD said Trust Deed and Note and Agreement unto Assignee, its successors and assigns forever.

PROVIDED, HOWEVER, that it is understood and agreed that this assignment is executed as collateral security for the payment of that certain promissory note dated March 9, 1984, in principal amount of \$100,000.00, together with interest thereon, executed by said Assignors as makers to the Assignee, as payee, and this assignment shall be void when and if said note is paid in full, but until such time as said note is paid in full, Assignee shall be deemed the sole owner and holder of said note and agreement and trust deed. On the condition that the Assignors are current on their promissory note dated March 9, 1984, in favor of the Assignee, Assignors shall have the right to collect the regularly scheduled monthly payments on the promissory note and agreement dated September 14, 1979, executed by Dair Magnuson and Lana B. Magnuson. In the event the Assignors should become delinquent on the payments due on the March 9, 1984 promissory note in favor of the Assignee, the Assignee may collect and retain all payments made on the September 14, 1979 promissory note and agreement executed by Dair Magnuson and Lana B. Magnuson and shall apply the net amount of the payments to the Assignors' promissory note in favor of Assignee. Any prepayments made on the Magnuson promissory note shall be retained by Assignors and applied to

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1 the Assignors' March 9, 1984 promissory note in favor of the Assignee. Assignee
 2 may sell, assign, negotiate or otherwise dispose of said Trust Deed and/or Note
 3 and Agreement and any interest therein and may foreclose said Trust Deed for
 4 breach thereof and/or sue upon said Note or accept a deed to the property covered
 5 by said Trust Deed from the Grantors in lieu of foreclosure and apply all net
 6 proceeds and property so received upon said note, after first deducting therefrom
 7 all of Assignee's expenses incurred in connection therewith, and Assignors agree
 8 to pay any deficiency then remaining. It is further expressly understood and
 9 agreed that this assignment shall not be deemed as partial or full payment by
 10 Assignors of said note but only as security for such payment.

11 Assignee agrees that when and if said Note has been fully paid, it will exe-
 12 cute a re-assignment of said Note and Trust Deed to Assignors.

13 Dated March 9, 1984.

14 Burton E. Gray (SEAL)
 15 Thelma Jean Gray (SEAL)

16 STATE OF OREGON)
 17) SS
 18 County of Klamath)

19 On this 12th day of March, 1984, personally appeared the above named Burton E.
 20 Gray and Thelma Jean Gray, who acknowledged the foregoing instrument to be their
 21 voluntary act and deed. Before me:

22 (SEAL)

23 My Commission Expires: 4/24/85

Gerald A. Page
 Notary Public For Oregon

24 STATE OF OREGON,)
 25 County of Klamath)

Filed for record at request of

26 Return to:
 27 KLA 13th Fed
 28 540 main

on this 12th day of March A.D. 19 84
 at 10:37 o'clock A M, and duly
 recorded in Vol. 1884 of Mortgages
 Page 3020

EVELYN STEHN, County Clerk

By Terry Smith Deputy

Fee 8.00