

35923

KCTC

Vol. M84 Page 6821

Account Number	Loan Number	Date of Note	Due Date	Principal Amount

# ASSIGNMENT OF SELLER'S INTEREST IN LAND SALE CONTRACT

Borrower: Robert W. Cromarty  
Adele M. Cromarty  
23818 NW Oak Island Rd.  
Portland, OR 97231

Bank: Mount Hood Security Bank  
200 East Powell Blvd.  
Gresham, OR 97030

Return to:

On June 16, 1981

, Borrower entered into a land sale contract (the Contract) in which Borrower is the Seller and

Larry A. Hunt and Claudia D. Hunt

whose address is

4225 Starchivant, Klamath Falls, OR 97601is the Buyer (the Buyer). The Contract was recorded on July 10, 19 81, in the records of

Klamath County, State of Oregon, in Book (or File No.) N-81 at Page 12377.  
 This Seller's Assignment has been given as collateral for a loan and therefor has the status of a mortgage and no Revenue Stamps are necessary. The Contract is for the sale of the following property:

LOT 4, BLOCK 1, TRACT NO. 1007, WINCHESTER, IN THE COUNTY OF KLAMATH,  
 STATE OF OREGON

1984 APR 25 PM 12 47

together with all existing or subsequently erected or affixed improvements or fixtures, all rents, revenues, income, issues, and profits therefrom, all equipment, furnishings, and other articles of personal property now or subsequently located on or used in connection therewith, and all additions, substitutions, and replacements of any of the foregoing. All of the foregoing is collectively referred to as the Property.

As security for all amounts due Bank from Borrower now or later, Borrower assigns to Bank all of Borrower's right, title, and interest in or to the Contract; together with all of Borrower's right, title, and interest in or to the Property.

This assignment secures all indebtedness of Borrower to Bank, whether now existing or arising at a later time. The word "Indebtedness" is used in its most comprehensive sense and includes, but is not limited to, any and all advances, debts, obligations, and liabilities of Borrower, or any one or more of them, including judgments against Borrower, heretofore, now, or hereafter made, incurred, or created, whether voluntarily or involuntarily and however arising, whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, and whether Borrower may be liable individually or jointly with others, or primarily or secondarily, as guarantor, and whether recovery upon such Indebtedness may be or hereafter may become barred by any statute of limitations, and whether such Indebtedness may be or hereafter may become otherwise unenforceable, and whether such Indebtedness arises from transactions which may be voidable on account of infancy, insanity, ultra vires, or otherwise.

This assignment is made and accepted under the following terms.

## 1. Collections of Revenue, Actions by Borrower and Bank.

1.1 Borrower shall pay to Bank promptly when due all Indebtedness and shall perform strictly all obligations imposed upon Borrower by this assignment.

1.2 Bank may notify Buyer of this assignment, at Bank's sole discretion and with no further permission from Borrower. Bank may collect all amounts of any nature due or to become due under the Contract directly from Buyer and apply such sums to the Indebtedness, at Bank's sole discretion, with no further permission from Borrower, and whether or not Borrower is in default under the terms of this assignment or under the terms of any Indebtedness.

1.3 Bank shall not have any responsibility with respect to the Contract or the Property. Borrower agrees to protect and preserve all rights granted Borrower under the Contract for the benefit of both Bank and Borrower, and to comply with all obligations of Borrower as vendor under the Contract. Bank may, at Bank's sole option and with no further permission from Borrower, take such steps as Bank deems appropriate to protect or preserve the rights of Borrower or Bank in the Contract or the Property, to protect or preserve the Property, or to take any other action permitted under the Contract. Bank may do so in its own name or in the name of Borrower, and Borrower hereby appoints Bank as Borrower's irrevocable attorney in fact for that purpose.

1.4 Borrower represents to Bank that the Contract is not in default and that the Contract has an unpaid principal balance of not less than \$ 20,000.00. Payments under the Contract have been made on the 10th to 19th day of each month.

1.5 Borrower agrees to deliver, or has delivered, to Bank the original of the Contract, which Bank may retain in Bank's possession.

1.6 In some instances below, Borrower agrees to impose certain requirements upon Buyer, pursuant to Borrower's capacity as seller under the Contract. If Buyer does not meet these requirements, Borrower agrees to do so. However, nothing in this assignment shall require Borrower to take any action beyond the rights granted Borrower under the Contract or under applicable law.

## 2. Maintenance of the Property

2.1 Borrower shall require that the Property be maintained by Buyer in first class condition and that all repairs and maintenance necessary to preserve its value be performed promptly.

2.2 Borrower shall neither conduct or permit any nuisance nor commit or suffer any strip or waste on the Property.

2.3 Borrower shall not demolish or remove or permit the demolition or removal of any improvements from the Property without the prior written consent of Bank. Consent will not be withheld if Borrower or Buyer makes arrangements satisfactory to Bank to replace any improvement which Borrower or Buyer proposes to remove with one of at least equal value. "Improvements" shall include all existing and future buildings, structures, and parking facilities.

2.4 Bank and its agents and representatives may enter upon the Property, to the same extent Borrower may do so, at all reasonable times to attend to Bank's interest and to inspect the Property.

2.5 Borrower shall require Buyer to comply promptly with all laws, ordinances and regulations of all governmental authorities applicable to the use or occupancy of the Property. Borrower or Buyer may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Bank's interest in the Property is not jeopardized.

2.6 Borrower shall do or require Buyer to do all other acts that from the character and use of the Property are reasonably necessary to protect and preserve the Property, the specific enumerations as set forth in this section not excluding the general.

## 3. Taxes and Liens

3.1 Borrower shall pay, or require Buyer to pay, all taxes and assessments levied against or on account of the Property, when due, and pay when due all claims for work done on or for services rendered or material furnished to the Property. Borrower shall maintain, or require Buyer to maintain, the Property free of any liens having priority over or equal to the interest of Bank under this assignment, except for the lien of taxes and assessments not due, except for any prior indebtedness referred to in Section 10, and except as otherwise provided in Subsection 3.2.

3.2 Borrower or Buyer may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Bank's interest in the Property and the Contract is not jeopardized. If a lien arises or is filed as a result of nonpayment, Borrower or Buyer shall within 15 days after the lien arises or, if a lien is filed, within 15 days after Borrower or Buyer has notice of the filing, secure the discharge of the lien or deposit with Bank cash or a sufficient corporate surety bond or other security satisfactory to Bank in an amount sufficient to discharge the lien plus any costs, attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien.

3.3 Borrower shall upon demand furnish to Bank evidence of payment of the taxes or assessments and shall authorize the appropriate county official to deliver to Bank at any time a written statement of the taxes and assessments against the Property.

## 4. Insurance

4.1 Borrower, either alone or in conjunction with Buyer, shall procure and maintain policies of fire insurance with standard extended coverage endorsements covering all improvements on the Property, in an amount sufficient to avoid application of any coinsurance clause and with loss payable to Bank. Policies shall be written by insurance companies reasonably acceptable to Bank. Borrower shall deliver to Bank certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of 10 days' written notice to Bank.

4.2 Borrower shall promptly notify Bank of any loss or damage to the Property. Bank may make proof of loss if it is not done within 15 days of the casualty. All proceeds of any insurance on the Property shall be held by Bank to the extent permitted Borrower under the terms of the Contract.

## 5. Expenditure by Bank.

If Borrower fails to comply with any provision of this assignment, including the obligation to maintain all prior liens permitted under Section 10 in good standing, Bank may at its option on Borrower's behalf take the required action. Any amount that Bank expends in so doing shall be added to the Indebtedness. Amounts so added shall be payable on demand with interest from the date of expenditure at the highest rate then being paid on any part of the Indebtedness. The rights provided for in this section shall be in addition to any other rights or remedies to which Bank may be entitled on account of the default, and Bank shall not by taking the required action cure the default so as to bar Bank from any remedy that Bank otherwise would have had.

## 6. Warranty; Defense of Title

6.1 Borrower warrants that it holds merchantable title to the Property in fee simple free of all encumbrances other than the Contract, in which Borrower warrants that Borrower is the seller, and (a) the exceptions listed in the ☐ title ☐ lot book report issued by (b) \_\_\_\_\_ on \_\_\_\_\_;

6.2 Subject to the exceptions in the paragraph above, Borrower warrants and will forever defend the title against the claims of all persons. If any action or proceeding is commenced that questions Borrower's title or the interest of Bank under this assignment, Borrower shall defend the action at Borrower's expense.

## 7. Condemnation

7.1 If all or any part of the Property is condemned, Bank may at its election require that all or any portion of the net proceeds of the award payable to Borrower be applied on the Indebtedness. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees necessarily paid or incurred by Borrower, Buyer, and Bank in connection with the condemnation.

7.2 If any proceedings in condemnation are filed, Borrower shall promptly take such steps as may be necessary to defend the action and obtain the award.

## 8. Transfer by Buyer.

8.1 Borrower shall not permit Buyer to transfer or agree to transfer Buyer's interest in the Property without the prior written consent of Bank, which consent shall be subject to the same terms and conditions to which Borrower and Buyer have agreed under the provisions of the Contract concerning transfer of the Property. If Borrower, Buyer, or a prospective transferee applies to Bank for consent to such a transaction, Bank may require such information concerning the transferee as would normally be required from a new loan applicant.

8.2 Consent by Bank to one transfer shall not constitute a consent to other transfers or a waiver of this section. No transfer by Buyer shall relieve Borrower of liability for payment of the Indebtedness. Following a transfer, Bank may agree to any extension of time for payment or modification of the terms of the Contract or waive any right or remedy under this assignment without relieving Borrower from liability. Borrower waives notice, presentment, and protest with respect to the Indebtedness.

8.3 Borrower shall have no right to transfer Borrower's interest in the Contract or the Property without the prior written consent of Bank.

## 9. Security Agreement, Financing Statements

9.1 The parties intend that the Borrower's interest in the Contract constitutes personal property. This assignment shall constitute a security agreement with respect to the Contract, to the extent that the Contract (or any rights thereunder) constitutes personal property. Bank shall have all the rights of a secured party under the Uniform Commercial Code in effect in the state in which the Property is located, in addition to all other rights of Bank under applicable law.

9.2 Borrower shall join with Bank in executing one or more financing statements under the Uniform Commercial Code, which Bank may file at Borrower's expense in all public offices where filing is required to perfect the security interest of Bank in the Contract. Bank may file copies of this assignment as a financing statement.