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## MIC-14365-1

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KNOW ALL MEN BY THESE PRESENTS That CLYDE E. LANG and LAURA A. LANG, husband and wife, and D. CLAYION CANCNES and DONNA L. GANGNES, husband and wife (hereinafter called "Assignor"), in consideration of the making of that certain Contract of Sale, recorded in Vol. M-84, Page 21560 County, Oregon (herein called "Contract"), and other good and valuable considerations, by UNITED STATES NATIONAL BANK OF CRECON, a national banking association (hereinafter called "Assignee"), hereby assigns unto Assignee the entire lessee's interest in and to that certain lease wherein Burlington Northern Railroad Company, a corporation, is lesser and Assignor is lessee dated <u>Mrv. 10, 1982</u>, 1984, under its No. 243, 884 true copy of which is attached hereto as Exhibit "1" and thereby made a part hereof as though fully set forth hereatl, together with all rents, income, and profits arising from the lease and its renewals and together with all rents, income, and profits for the use and occupation of the premises subject to said lease (hereinafter

A. This Assignment is made to secure:

1. The payment of all of the indebtedness of Assignor due, or to become due, to Assignee under the Contract.

2. Performance and discharge of each and every obligation and agreement of Assignor under this Assignment or under the Contract.

B. Assignor agrees:

1. To observe and perform all obligations imposed upon the lessee under the assigned lease.

2. Not to execute any other assignment of lessee's interest in the lease or assignment of rents, income, or profits accruing under the lease or from the Premises.

3. Not to modify the terms of the lease or give any consent or exercise any option required or permitted by the terms of the lease without the prior written consent of Assignee.

4. Not to cancel, terminate, or accept a surrender of the lease, or convey, transfer, or permit a conveyance or transfer of the Premises so as to effect, directly or indirectly, a termination or diminution

5. At Assignee's request to assign to Assignee any subsequent lease upon any part of the Fremisen and to execute and deliver to Assignee such further assurances and assignments in the Premises as Assignee

C. This Assignment is made on the following terms and conditions:

1. Until default by Assignor in payment of the indebtedness secured by the Contract, or in performance of any obligation or agreement under this Assignment or the assigned lease, Jesignor may use and occupy the Premises and may collect at the time of, but not before, the date provided for payment, all rents, income, and profits arising under the lease or from the Premises and retain use and enjoy the same.

2. Upon or at any time after such default, Assignee may, at its option, without notice and without regard to the adequacy of the security, either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, take possession of the Prezises and hold, manage, lease, and operate the same on such terms and for such period of time as Assignee ray deem proper and, with or without taking possession of the Premises demand, sue for, or otherwise collect all rents, income, and profits of the Premises, including those past due and unpaid, with full power to make from tipe to tipe all such alterations, renovations, repairs, and replacements as may seem proper to Assignee, and apply such rents, income, and profits to payment of all expenses of managing, operating, and maintaining the Premises, all expenses incident to taking and retaining possession of the Premises, and the principal, interest, and other indebtedness secured by the Contract, together with all costs and attorney fees, in such order of priority as to any of the items mentioned in this paragraph as Assignee in its sole discretion may determine, any statute, law, custom, or use to the contrary notwithstanding. Exercise or nonexercise by Assignee of the options granted in this paragraph, or collection and application of rents, income, and profits, shall not be considered a waiver of any default by Assigner under the Contract or under the lease

3. Assignce shall not be liable for any less sustained by Assigner resulting from Assignee's failure to let the Premises or from any other act or emission of Assignee in managing the Premises. Nor shall Assignce be obligated to perform or discharge, nor does the Assignce undertake to perform or discharge, any obligation, duty, or liability under the lease or under or by reason of this Assignment and Assignor agrees to indemnify Assignee for, and to hold Assignee hamiless from, any liability, loss, or damage which may be incurred under the lease or under or by reason of this Assignment and from any claims and demands which may be asserted against Assignee by reason of any alleged obligations or undertakings to perform or discharge any of the terms, covenants or agreements contained in the lease. Should Assignee incur any such liability under the lease or under or by reason of this Assignment or in defense of any such claims or demands, the amount thereof, including costs, expenses, and reasonable attorney fees shall be secured by this

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Assignment, and Assigner shall reinburse Assignee therefor immediately upon demard and upon the failure of Assignor to do so Assignee may, at its option, declare all sums secured by this Assignment or by the Contract immediately due and payable. And it is further understood that this Assignment shall not operate to place responsibility for the control, care, management, or repair of the Premises upon Assignee; nor shall it operate to make Assignee responsible or liable for any waste cormitted on the Premises by Assignor, the tenants, or any other parties, or for any dangerous or defective condition of the Premises, or for any negligence in the management, upkeep, repair, or control of the Premises.

4. Upon payment in full of the indebtedness secured by the Contract, or by this Assignment, this Assignment shall cease and be of no further effect. Assignor hereby authorizes and directs any sublessee of the Premises, or any other or future lessee or occupancy of the Premises, upon receipt of written notice from the holder of the Contract that a default exists thereunder, or under this Assignment, to pay to the holder all rents, income and profits accruing from the Premises, and to continue to do so until otherwise notified by the holder.

5. Assignce may take or release other security for payrent of the indebtedness, may release any party primarily or secondarily liable, and may apply any other security held by it to the satisfaction of the indebtedness without prejudice to any rights under this Assignment or the Contract.

6. "Lease" or "the lease" as used in this Assignment means the lease hereby assigned and, at the option of the Assignee, any extension or renewal of it and any lease subsequently executed during the term of this Assignment covering the Premises or any part of the same.

7. "Indebtedness", as used in this Assignment, rease all obligations, debts, and liabilities of Assigner to Assignee, including, without limiting the generality of the foregoing, all existing and future obligations of Assigner to Assignee, arising out of, or in connection with, the Contract or this Assignment.

8. Nothing contained in this Assignment and no act done or cmitted by Assignee pursuant to its terms shall be deemed a waiver by Assignee of any rights or remedies under the Contract, and this Assignment is made and accepted without prejudice to any rights or remedies possessed by Assignee under the terms of the Contract. The right of Assignee to collect the indebtedness, and to enforce any other security, may be exercised by Assignee prior to, simultaneously with, or subsequent to any action taken under this Assignment. In addition, all rights and remedies described herein are in addition to, and not in any limitation of, the rights and remedies of Assignee under the Contract, or any security rights created by additional documents or instrument pursuant to the Contract.

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SIGNATURES n. DONNA L. GANGNES

## STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record this \_28th day of \_ December A.D. 19 Bli of 2:33 office P M. and duly recorded in Vol. MBh , of Deeds on Face 21585 By Firm company Courty Cherk Fee: 39.00

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