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MTC-14824
ASSIGNMENTVol. M85 Page 6343

For value received, WASHBURN ENTERPRISES, INC., an Oregon corporation, ("Assignor") assigns the following-described property ("Collateral"), together with all monies due or to become due thereunder, and grants 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 promissory note dated February 26, 1979 in the principal amount of \$188,000.00, together with interest thereon, executed by Glenn L. Hobbs, and secured by a Mortgage dated February 26, 1979 between Glenn L. Hobbs, as Mortgagor, and Washburn Enterprises, Inc., an Oregon corporation, as Mortgagee, a copy of which is attached as Exhibit A and by this reference made a part hereof, recorded February 26, 1979 in Book M79 on page 4295 or as filing fee number 63062, Record of Mortgages of Klamath County, Oregon.

"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;
- (6) as of the date of this assignment there is now unpaid and owing thereon \$ 140,428.87.

Assignor covenants to Bank that he will strictly

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

Assignor shall not, without Bank's prior written consent, now or at any time, sell, pledge, transfer, assign, modify or terminate its interest in and to Collateral.

This assignment is made as security for the payment of Assignor's promissory note to Bank dated August 20, 1979, in the principal amount of \$ 600,000.00, 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, and however evidenced. The maturity date of the note is May 1, 1990.

Assignor hereby authorizes and directs Obligor to pay and deliver to Bank, upon Bank's demand to Obligor, all sums of money payable by the terms of Collateral and to accept the receipt of Bank therefor. Until Bank makes demand on Obligor, Assignor shall continue to collect the proceeds of Collateral. Assignor shall, at the request of Bank, hold the proceeds received from collection in trust for Bank without commingling the same with other funds of Assignor and shall turn the same over to Bank immediately upon receipt in the identical form received. Assignor shall, at the request of Bank, notify Obligor of Bank's interest in Collateral and Bank may, itself, at any time so notify Obligor. Obligor 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 Obligor until Bank shall notify Obligor 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, its 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 to execute in Assignor's name and deliver to Obligor on Assignor's behalf, at the time and in the manner specified by Collateral, a deed or bill of sale to property being purchased by Obligor pursuant to Collateral and described therein. 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 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, 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 caused this assignment to be executed by its duly authorized officer(s) the 30th day of April, 1984 *5* Oct

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WASHBURN ENTERPRISES, INC.

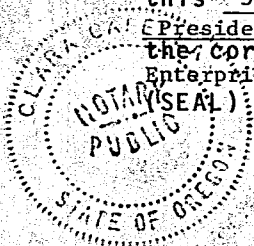
By *Dorman A. Turner*
Title: *Pres.*

By *Irene Byrnes*
Title: *V. Pres.*

STATE OF OREGON)
 : ss.
County of Klamath)

The foregoing Assignment was acknowledged before me this 30th day of April, 1984, by Dorman A. Turner, the President of Washburn Enterprises, Inc. on behalf of the corporation, and by Irene Byrnes, the Vice President of Washburn Enterprises, Inc. on behalf of the corporation.

Clara C. [Signature]
Notary Public for Oregon
My Commission expires:
April 8, 1988



THIS MORTGAGE, Made this 26 day of February 1979
by GLENN L. HOBBS, Mortgagor,
to WASHBURN ENTERPRISES, INC., an Oregon corporation, Mortgagee,

WITNESSETH, That said mortgagor, in consideration of ONE HUNDRED EIGHTY-EIGHT THOUSAND AND NO/100 Dollars, to him paid by said mortgagee, does hereby grant, bargain, sell and convey unto said mortgagee, his heirs, executors, administrators and assigns, that certain real property situated in Klamath County, State of Oregon, bounded and described as follows, to-wit:

Lot 2, Block 5, WASHBURN PARK, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.
SUBJECT TO reservations, encumbrances and easements of record and those apparent on the ground.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and which may hereafter thereto belong or appertain, and the rents, issues and profits therefrom, and any and all fixtures upon said premises at the time of the execution of this mortgage or at any time during the term of this mortgage.

TO HAVE AND TO HOLD the said premises with the appurtenances unto the said mortgagee, his heirs, executors, administrators and assigns forever.

This mortgage is intended to secure the payment of a promissory note, of which the following is a substantial copy:

\$188,000.00 Klamath Falls, Oregon, February 26, 1979
I (or if more than one maker) we, jointly and severally, promise to pay to the order of WASHBURN ENTERPRISES, INC., an Oregon corporation, at Klamath Falls, Oregon, ONE HUNDRED EIGHTY-EIGHT THOUSAND AND NO/100 DOLLARS, with interest thereon at the rate of 9 1/2 percent per annum from date hereof until paid, payable in monthly installments of not less than \$1,964.60 in any one payment; interest shall be paid monthly and the minimum payments above required; the first payment to be made on the 1st day of April 1979, and a like payment on the 1st day of each month thereafter, until the whole sum, principal and interest has been paid; if any of said installments is not so paid, all principal and interest to become immediately due and collectible at the option of the holder of this note. If this note is placed in the hands of an attorney for collection, I/we promise and agree to pay holder's reasonable attorney's fees and collection costs, even though no suit or action is filed hereon; however, if a suit or an action is filed, the amount of such reasonable attorney's fees shall be fixed by the court, or courts in which the suit or action, including any appeal therein, is tried, heard or decided.
* Strike words not applicable.

GLENN L. HOBBS

FORM No. 217--INSTALLMENT NOTE.

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And said mortgagor covenants to and with the mortgagee, his heirs, executors, administrators and assigns, that he is lawfully seized in fee simple of said premises and has a valid, unencumbered title thereto, except as stated above,

and will warrant and forever defend the same against all persons; that he will pay said note, principal and interest, according to the terms thereof; that while any part of said note remains unpaid he will pay all taxes, assessments and other charges of every nature which may be levied or assessed against said property, or this mortgage or the note above described, when due and payable and before the same may become delinquent; that he will promptly pay and satisfy any and all liens or encumbrances that are or may become liens on the premises or any part thereof superior to the lien of this mortgage; that he will keep the buildings now on or which hereafter may be erected on the said premises continuously insured against loss or damage by fire and such other hazards as the mortgagee may from time to time require, in an amount not less than the original principal sum of the note or obligation secured by this mortgage, in a company or companies acceptable to the mortgagee, with loss payable first to the mortgagee and then to the mortgagor as their respective interests may appear; all policies of insurance shall be delivered to the mortgagee as soon as issued. Now if the mortgagor shall fail for any reason to procure any such insurance and to deliver said policies to the mortgagee at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said premises, the mortgagee may procure the same at mortgagor's expense; that he will keep the buildings and improvements on said premises insured against fire and will not commit or suffer any waste of said premises. At the request of the mortgagee, the mortgagor will execute in writing one or more financing statements pursuant to the Uniform Commercial Code, in favor of the mortgagee, and will file the same in the proper public office, as well as the original of the same, and will pay for the filing of the same in the proper public office, as well as the original of the same, and will pay for the filing of the same in the proper public office, as well as the original of the same.

EXHIBIT B

