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MTC-14824
ASSIGNMENTVol. 185 Page 6361

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 March 2, 1979 in the principal amount of \$35,000.00, together with interest thereon, executed by H. George Nitschelm, H. Gael Nitschelm and Melvene D. Nitschelm, and secured by a Mortgage dated March 2, 1979 between H. George Nitschelm, H. Gael Nitschelm, and Melvene D. Nitschelm, 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 March 13, 19 79 in Book M79 on Page 5733 in the 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 \$ 25,671.80.

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Assignor covenants to Bank that he will strictly 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. 6364

IN WITNESS WHEREOF, Assignor has caused this assignment to be executed by its duly authorized officer(s) the 30th day of April, 1984. S. R.

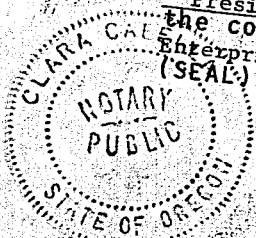
WASHBURN ENTERPRISES, INC.

By Dorman A. Turner
Title: Pres.

By Irene Byrnes
Title: V. Pres.

STATE OF OREGON)
County of Klamath) ss.

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 Cale
Notary Public for Oregon
My Commission expires:
April 8, 1988

Now, therefore, if said mortgagor shall keep and perform the covenants herein contained and shall pay said note according to its terms, this conveyance shall be void, but otherwise shall remain in full force as a mortgage to secure the performance of all of said covenants and the payment of said note; it being agreed that a failure to perform any covenant herein, or if a proceeding of any kind be taken to foreclose any lien on said premises or any part thereof, the mortgagee shall have the option to declare the whole amount unpaid on said note or on this mortgage at once due and payable, and this mortgage may be foreclosed at any time thereafter. And if the mortgagor shall fail to pay any taxes or charges or any lien, encumbrance or insurance premium as above provided for, the mortgagee may at his option do so, and any payment so made shall be added to and become a part of the debt secured by this mortgage, and shall bear interest at the same rate as said note without waiver, however, of any right arising to the mortgagee for breach of covenant. And this mortgage may be foreclosed for principal, interest and all sums paid by the mortgagee at any time while the mortgagor neglects to repay any sums so paid by the mortgagee. In the event of any suit or action being instituted to foreclose this mortgage, the mortgagor agrees to pay all reasonable costs incurred by the mortgagee for title reports and title search, all statutory costs and disbursements and such further sum as the trial court may adjudge reasonable as plaintiff's attorney's fees in such suit or action, and if an appeal is taken from any judgment or decree entered therein mortgagor further promises to pay such sum as the appellate court shall adjudge reasonable as plaintiff's attorney's fees on such appeal, all sums to be secured by the lien of this mortgage and included in the decree of foreclosure. Each and all of the covenants and agreements herein contained shall apply to and bind the heirs, executors, administrators and assigns of said mortgagor and of said mortgagee respectively.

In case suit or action is commenced to foreclose this mortgage, the Court, may upon motion of the mortgagee, appoint a receiver to collect the rents and profits arising out of said premises during the pendency of such foreclosure, and apply the same, after first deducting all of said receiver's proper charges and expenses, to the payment of the amount due under this mortgage.

In construing this mortgage, it is understood that the mortgagor or mortgagee may be more than one person; that if the context so requires, the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine and the neuter, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

IN WITNESS WHEREOF, said mortgagor has hereunto set his hand the day and year first above written.

Melvane D. Nitschelm
H. Gael Nitschelm
George H. Nitschelm

IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable and if the mortgagee is a creditor, or such word as defined in the Truth-in-Lending Act and Regulation Z, the mortgagee MUST comply with the Act and Regulation by making required disclosures; for this purpose, if this instrument is to be a FIRST lien to finance the purchase of a dwelling, use Stevens-Ness Form No. 1303 or equivalent; if this instrument is NOT to be a first lien, use Stevens-Ness Form No. 1205, or equivalent.

STATE OF OREGON,
County of KLAMATH } ss.

BE IT REMEMBERED, That on this 7th day of March, 1985, before me, the undersigned, a notary public in and for said county and state, personally appeared the within named GEORGE H. NITSCHELM, H. GAEL NITSCHELM and MELVENE D. NITSCHELM, known to me to be the identical individual 3 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.

Harman F. Smith
Notary Public for Oregon.
My Commission expires 12-13-88.

Return: MIC

MORTGAGE

(FORM NO. 105A)

PRINTED BY THE OREGON STATE BAR, PORTLAND, ORE.

SPACE RESERVED

STATE OF OREGON
County of _____ } ss.
I certify that the within instrument was received for record on the day of _____, 19____, at _____ o'clock _____ M., and recorded in book _____ on page _____ or as

STATE OF OREGON: COUNTY OF KLAMATH:ss
I hereby certify that the within instrument was received and filed for record on the 1st day of May A.D., 1985 at 12:36 o'clock P M, and duly recorded in Vol M85, of Mortgages on page 6361.

Fee: \$ 25.00

EVELYN BIEHN, COUNTY CLERK
by: *Pam Smith*, Deputy