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ASSIGNMENT FOR SECURITY PURPOSES

Vol. 1480 Page 17962

DATED: September 22, 19 86.

FROM: Carol L. Greene

Mailing Address: 1635 Underwood
Coos Bay, Oregon 97420

TO: WESTERN BANK, the "Assignee" or "Lender",

Mailing Address: P. O. Box 1055
Coos Bay, Oregon 97420

The Lender has loaned money or extended credit to Carol L. Greene, the "Borrower", which is repayable with interest according to the terms of the following described promissory note(s):

| DATE OF NOTE | ORIGINAL PRINCIPAL BALANCE | CURRENT PRINCIPAL BALANCE | DATE FINAL PAYMENT IS DUE |
|--------------------|----------------------------------|---------------------------------|---------------------------------|
| 9/22/86 | \$8,025.00 | \$8,025.00 | 9/26/91 |

The term "indebtedness" as used in this assignment shall mean (a) the principal and interest payable under the note(s) and under any number of extensions and/or renewals of the note(s), (b) any future amounts, together with interest, that the lender may in its absolute discretion loan to borrower or to assignor and any number of extensions, revisions and/or renewals thereof, (c) any and all other indebtedness, obligations and liabilities of borrower or assignor to lender now existing or hereafter arising, matured or to mature, absolute or contingent, and wherever payable, including such as may arise from advances made by lender to, or for the benefit of assignor or borrower, endorsements, guaranties, acceptances, bills of exchange, overdrafts, promissory notes, or other paper discounted by lender or taken as security for any loans or advances of any kind, sort or description whatsoever, late charges and (d) any sums paid or advanced by the lender to discharge obligations of assignor as permitted under this assignment, with interest. The interest rate, payment terms and balance due under the note(s) or any other obligations secured hereby may be indexed, adjusted, renewed or renegotiated in accordance with the terms of the note(s) or other obligation(s).

Assignor's initials ML

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To secure payment of the indebtedness and performance of all obligations of borrower and assignor to lender, assignor irrevocably assigns, mortgages, grants and conveys to lender the following described property:

Contract of Sale (insert one of the following: contract of sale, note and mortgage, or note and trust deed)

Dated: July 8, 19 81,

Between: Master Homes as "buyer",
"maker or obligor" (insert name(s) of originator(s))

And: Raymond C. Greene and Carol L. Greene as "seller",
"payee" or "obligee" (insert name(s) of originator(s))

in the principal sum of \$ 25,250.00

recorded at Volume M81, Page 12218, Records of Klamath County, Oregon, together with all of assignor's right and interest in and to all amounts due and payable and to become due and payable thereunder and in and to all real and personal property subject to said contract of sale, mortgage or trust deed and all buildings and improvements of any kind or nature, fixtures, easements, roads and rights of way relating to the real property; all of the foregoing is collectively referred to as the "property". Assignor further hereby assigns to lender as additional security for payment of the indebtedness and performance of all obligations of assignor and borrower, all present and future rents, leases and profits from the property, which together with the property is collectively referred to as "collateral".

The present owner of the interest of "buyer", "maker" or "obligor" is Master Homes; however, "payor" hereinafter refers, as appropriate in the context and the then current facts of ownership, to the "buyer", "maker" or "obligor" and/or to any successor(s) in interest. The present owner of the interest of "seller", "payee" or "obligee" is the aforementioned assignor. Known documents showing previous transfers, if any, of the various interests, including transfers to the payor

and assignor, are recorded at (1) M81-12218 (shown above),
(2) M74-13773, (3) M72-10468,
(4) M73-4804 in the Records of Klamath county, Oregon.

Assignor's initials ML

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1. PROCEEDS OF COLLATERAL.

1.1 All amounts paid with regard to the collateral, including regular installments, prepayments and all other sums received from payor, shall be deposited to bancontrol account # to be assigned if required (see addendum) at the Coos Bay Branch of WESTERN BANK at address 285 South 4th, Coos Bay, Oregon 97420.

1.2 The assignor agrees and hereby irrevocably instructs payor and any escrow agent receiving payments under said contract of sale, note and mortgage or note and trust deed, to pay to the order of WESTERN BANK at the address set forth in paragraph 1.1 all sums payable or disburseable to assignor with regard to such collateral. Any escrow agent is hereby released by assignor from any and all liability for payments made directly to WESTERN BANK or its order. Assignor agrees to execute whatever escrow instructions may be required by the escrow agent to carry out these payment instructions and if assignor shall for any reason fail to do so, Western Bank is hereby appointed assignor's attorney-in-fact to execute such escrow instructions.

1.3 Proceeds deposited in the above referenced bancontrol account shall be applied as follows:

- (1) First, toward all or any portion of the indebtedness then due and owing to WESTERN BANK by assignor or borrower;
- (2) Secondly, the excess, if any, shall be applied toward any portion of the indebtedness which will become due within fifteen (15) days from the date the proceeds are deposited to such bancontrol account; and
- (3) Thirdly, the excess, if any, during the time assignor or borrower are not in default in payment of any portion of the indebtedness to WESTERN BANK nor in default of any loan agreement or security agreement, mortgage or trust or deed with WESTERN BANK or of any obligation under this assignment, and subject to the provisions of paragraph 1.4 below, shall be paid to assignor or as assignor may from time to time direct.

1.4 If any portion of the amount deposited under paragraph 1.1 is a prepayment by payor then WESTERN BANK, at its sole discretion, may apply all or any portion of the prepayment remaining, after payment of the sums set forth in paragraph 1.3(1) and 1.3(2), to all or any portion of the indebtedness whether or not it is then due and payable. For purposes of application of this paragraph "prepayment" shall mean all sums paid or payable under the said contract of sale, note and mortgage or note and trust deed in excess of any regularly scheduled periodic

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installments; moreover, "prepayment" shall specifically include all "balloon" and "lump sum" and other irregular payments including all payments made at the discretion of payor.

2. COVENANTS OF ASSIGNOR

Assignor does hereby covenant and further agree as follows:

2.1 Borrower shall pay the principal and interest of the indebtedness according to the terms of all notes, contracts and other agreements relating thereto, and assignor shall pay all amounts provided herein.

2.2 At the time of the execution and delivery of this assignment, assignor is the owner and holder of said contract of sale, note and mortgage or note and trust deed, free of all liens and encumbrances whatsoever, and assignor does hereby covenant and agree that there is now due and owing under said contract of sale, note and mortgage or note

and trust deed the sum of \$ 24,041.30, together with interest at the rate of 12.00 % per annum from August 9, 1986 until paid, that there is no present delinquency or other breach on the part of any party to the said contract of sale, note and mortgage or note and trust deed under its (their) terms to the best of my knowledge and belief, (see addendum) that the next regularly scheduled payment thereunder will be due and

payable on September 7, 1986 in the amount of \$ 275.00, and that assignor is not aware of any circumstance, event, plan or other information that would cause a reasonably prudent individual to question the continuing viability and soundness of said contract of sale, note and mortgage or note and trust deed.

2.3 Assignor agrees to fully perform and carry out all obligations imposed upon assignor under said contract of sale, note and mortgage or note and trust deed. Assignor shall also have the obligation of enforcing the terms of said contract of sale, note and mortgage or note and trust deed in the event of any default by payor. In the event assignor shall fail to perform any duty, term or condition imposed upon assignor under this paragraph, then lender, at lender's option, without notice to assignor and without being deemed to have waived any provision(s) hereof, may take any action required of assignor which assignor has failed to take. Assignor agrees to reimburse lender promptly for any and all amounts paid or expended by lender with regard thereto including reasonable attorney fees and other expenses attending the same; said amounts shall become due and payable by assignor forthwith, shall bear interest from the date of expenditure at the same rate as provided in the note and shall be secured by the lien of this assignment; moreover, any such failure on the part of assignor shall be deemed a breach of the covenants of this assignment. The rights provided for in this paragraph shall be in addition to any other rights and/or remedies to which lender may be entitled on account of the default, and lender shall not by taking any action hereunder be deemed to have cured the default so as to bar any

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remedy that lender otherwise would have had. Nothing in this assignment shall be construed as imposing any obligation upon Western Bank to perform all or any portion of the obligations of assignor under said contract of sale, note and mortgage or note and trust deed.

2.4 Assignor agrees that lender may, at lender's option, declare the entire indebtedness immediately due and payable if, without prior written approval of lender, all or any part of the collateral, or any interest therein, is sold, transferred, assigned, further encumbered or alienated by assignor. If lender exercises its option to accelerate, assignor agrees that lender may use any default remedies permitted under this assignment and under applicable law. Assignor agrees that lender may exercise lender's right under this due-on-sale provision each time all or any part of the collateral, or any interest in the collateral is so sold, transferred, assigned, further encumbered, or alienated, whether or not lender previously exercised lender's rights under this or any other due-on-sale provision.

3. DEFAULT

The following shall constitute events of default:

3.1 If any portion of the indebtedness is not paid when due;

3.2 Failure by assignor to perform any other obligation under this assignment within ten (10) days after receipt of written notice from the lender specifying the failure;

3.3 If either assignor or borrower becomes insolvent, files a voluntary petition in bankruptcy, becomes subject to an involuntary petition in bankruptcy, makes an appointment for the benefit of creditors, or consents to the appointment of a receiver or trustee for any portion of the collateral or all or a substantial part of assignor's or borrower's assets; or

3.4 Default in any obligation secured by a lien which has or may have priority over this assignment, or the commencement of any action to foreclose any such lien.

4. RIGHTS AND REMEDIES ON DEFAULT

Upon the occurrence of any event of default and at any time thereafter, the lender may exercise any one or more of the following rights and remedies:

4.1 At its option without notice to assignor or borrower to declare the entire indebtedness immediately due and payable;

4.2 To foreclose upon this assignment by judicial foreclosure in accordance with applicable law;

4.3 To apply to the indebtedness any and all amounts received from escrow holder and/or payor, without regard to the provisions of

Assignor's initials

paragraph 1.3, which application shall not be a waiver of assignor's or borrower's defaults under the note(s) or this assignment, nor shall such application be a waiver of lender's rights to accelerate and declare the entire indebtedness immediately due and payable;

4.4 To have a receiver appointed to take possession of any and all of the collateral, with the power to protect and preserve the collateral and to operate the collateral preceding foreclosure and/or sale and to apply the proceeds resulting from operation, over and above costs of the receivership, against the indebtedness. The receiver may serve without bond if permitted by law. The lender's right to the appointment of a receiver shall exist whether or not apparent value of the collateral exceeds the indebtedness by a substantial amount;

4.5 To obtain a deficiency judgment if the net proceeds of any foreclosure sale, or if payment applied under this assignment, or both, is/are insufficient to pay the entire unpaid indebtedness;

4.6 Any other right or remedy provided in this assignment, the promissory note(s) evidencing the indebtedness, any guaranty(ies), any other loan agreement(s), any other security agreement(s), mortgage(s) or trust deed(s), or under law, which rights and remedies shall be deemed cumulative and in addition to any other rights or remedies to which lender may be entitled on account of the default.

5. RELEASE ON FULL PERFORMANCE

When the indebtedness and all sums secured by this assignment are paid or upon full payment by payor under the assigned contract of sale, note and mortgage or note and trust deed, whichever shall first occur, lender shall reassign collateral to assignor, without warranty. Assignor shall pay all fees for filing and recording the reconveyance document.

6. GENERAL PROVISIONS

6.1 Subject to the limitations stated in this assignment on transfer of the collateral, this assignment shall be binding upon and inure to the benefit of the parties, their successors and assigns.

6.2 With respect to any collateral that is personal property, this assignment shall be construed to be a security agreement.

6.3 "Attorney's fees" and "other expenses" as those terms are used herein, shall include attorney's fees and other expenses, if any, which may be awarded by an appellate court.

Carol L. Greene

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STATE OF OREGON,

County of Coos } ss.

FORM NO. 22 - ACKNOWLEDGMENT
STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

BE IT REMEMBERED, That on this 22nd day of September, 1986, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Carol L. Greene

known to me to be the identical individual described in and who executed the within instrument and acknowledged to me that she 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.

James F. Serwon
Notary Public for Oregon

My Commission expires 3/17/90

ADDENDUM TO PARAGRAPH 1.1 PROCEEDS OF COLLATERAL ASSIGNMENT

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Western Bank at this time hereby waives the requirement for the bank control account method of payment. The payments may continue to be disbursed directly to assignor. Western Bank in granting the waiver, does so without any commitment, express or implied, to continue the waiver indefinitely or for any specific period of time, or subject to any condition of performance or otherwise, reserving to itself the right, at its discretion and without prior notice, to cancel the waiver, thereby re-instituting the provisions of said sub-paragraph 1.3 at any time.

Carol L. Greene
Carol L. Greene

ADDENDUM TO PARAGRAPH 2.2 OF ASSIGNMENT

The referenced contract is presently delinquent in the payment schedule. The interest is paid to 8/9/86, however the principal reductions are owed for the June, July, August and September, 1986 payments. Because of the length of intervals between payments the amount of payment has not covered the interest for that period, therefore creating this delinquency. Also, the property taxes are delinquent. A portion of the 1982-83 taxes are due, plus all of 83-84, 84-85, 85-86, plus interest for an estimated total of \$2,500.00.

Carol L. Greene
Carol L. Greene

After Recording:

Western Bank
421 So 7th St
City 97601

Attn: Wayne Luzier

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____
of _____ October _____ A.D., 19 86 at 12:27 o'clock P M., and duly recorded in Vol. _____ M86
_____ Mortgages _____ on Page 17962

FEE \$28.00

Evelyn Biehn, County Clerk
By Ann Smith