

MT-19604 P  
SELLER'S COLLATERAL ASSIGNMENT OF REAL ESTATE CONTRACT

FOR VALUE RECEIVED, DANIEL LEE SMITH (Assignor), transfers and assigns to THE FEDERAL LAND BANK OF SPOKANE, a federal instrumentality (Assignee), Assignor's entire interest in and to the Contract described in this Assignment on the terms, covenants, conditions, and provisions contained in this Assignment.

## A. This Assignment is made to secure:

1. Payment of all of the Indebtedness of Assignor to Assignee due or to become due according to the terms of that certain contract of sale of real property dated May 11, 1987, wherein Assignee is Vendor and Assignor is Vendee, a memorandum of which was recorded May 11, 1987, in Vol. M-87, p. 8024, Microfilm Records of Klamath County, Oregon.

2. Performance and discharge of each and every existing or future obligation of Assignor to Assignee under any present or future document and/or instrument evidentiary of or security for any debtor-creditor relationship between Assignor and Assignee.

## B. Assignor agrees:

1. To observe and perform all obligations imposed upon the Assignor under the Contract.

2. Not to execute any other assignment of the Contract or proceeds accruing under the Contract.

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

4. Not to cancel, terminate, or surrender the Contract, in whole or in part, so as to effect, directly or indirectly, a termination or diminution of Assignor's interest in the Contract.

5. At Assignee's request, execute and deliver to Assignee whatever further acts, documents, instruments, or assurances as Assignee shall reasonably require from time to time.

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

1. Until Assignor's default, Assignor may receive and apply all of the payments under the Contract as provided in it.

2. The following events shall constitute Assignor's default: failure to pay the Indebtedness when due; failure to observe or perform any covenant or obligation created by or arising out of any present or future document and/or instrument evidentiary of or security for the debtor-creditor relationship between Assignor and Assignee; failure to perform any obligation or agreement under this Assignment; or failure to observe or perform any covenant or obligation under the Contract.

3. Upon, or at any time after Assignor's default, Assignee may, at its option, declare all Indebtedness secured hereby immediately due and payable. To enforce payment of the Indebtedness, Assignee may treat this assignment as an absolute assignment subject only to accounting for any surplus, or Assignee may treat this Assignment as an addendum to the Contract or as a security agreement in which event Assignee shall have all the rights and remedies specified in the Contract or as a secured party under applicable laws.

4. Assignee shall not be obligated to perform or discharge, nor does Assignee undertake to perform, or discharge, any obligation, duty, or liability under the Contract or under or by reason of this Assignment. Assignor agrees to indemnify Assignee for, and to hold Assignee harmless from, any liability, loss, or damage which may be incurred under the Contract 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 Contract. Should Assignee incur any such liability under the Contract 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 (both at trial and on appeal), shall be secured by this Assignment, and Assignor shall reimburse Assignee therefor immediately upon demand and, upon the failure of Assignor to do so, Assignee may, at its option, declare all sums secured by this Assignment immediately due and payable.

5. If Purchaser fails to make any payments when due or to perform any of the obligations under the Contract, Assignee, without being or becoming obligated therefor, may enforce or forfeit the Contract. Any cost incurred or expended by Assignee enforcing or forfeiting the Contract, including reasonable attorney fees (both at trial and on appeal) and court costs, shall be added to the Indebtedness.

6. Assignee may take or release other security for payment 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 any document and/or instrument evidentiary of or security for the debtor-creditor relationship between Assignor and Assignee.

7. Exercise or nonexercise by Assignee of the options granted in this Assignment, or collection and application of rents, income, and profits, shall not be considered a waiver of any default by Assignor.

8. Upon full payment or performance of Assignor's obligations set forth in Paragraph A above, this Assignment shall cease and be of no further effect.

D. In construing this Assignment, the following provisions shall govern:

1. This Assignment shall be construed by the law of the State of Oregon, regardless of where signed.

2. All agreements and covenants contained in this Assignment are severable, and in the event that any of them shall be held to be invalid by any competent court, this Assignment shall be interpreted as though such invalid agreements or covenants were not contained in this Assignment.

3. Pronouns used in this Assignment shall be construed in accordance with the appropriate gender, as either singular or plural, as the context requires.

4. Any exhibit attached to this Assignment is incorporated into this Assignment as though fully set forth at the place at which reference to the exhibit is made.

5. The parties agree the following terms shall have the following meanings as used in this Assignment:

(a) The term "Contract" means that certain contract of sale of the Property wherein Assignor is Seller and Carter Air Balance, Inc., Jeffrey Carter, and Tami Carter are Purchaser and Guarantors dated 5-13-88, 1988, recorded on 5-16-88, 1988, in Vol. M-88, Page 7584, Microfilm Records of Klamath County, Oregon.

(b) The term "Property" means the following described real property and personal property situate in Klamath County, Oregon, described in Exhibit "A" and Exhibit "B" respectively.

(c) The term "Indebtedness" shall mean all obligations, debts, and liabilities of Assignor to Assignee (principal and interest) including, without limiting the generality of the foregoing, all existing and future obligations of Assignor to Assignee, arising out of, or in connection with, the debtor-creditor relationship between Assignor and Assignee.

E. Nothing contained in this Assignment and no act done or omitted by Assignee pursuant to its terms shall be deemed a waiver by Assignee of any rights or remedies under any document and/or instrument evidentiary of or security for the debtor-creditor relationship between Assignor and Assignee. This Assignment is made and accepted without prejudice to any other rights or remedies possessed by Assignee and all rights and remedies described in this Assignment are in addition to, and not in any way limitation of, the rights and remedies of Assignee under any document and/or instrument evidentiary of or security for the debtor-creditor relationship between Assignor and Assignee. 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.

F. This Assignment shall be binding upon the parties, their heirs, executors, administrators, successors in interest, or assigns.



7589

IN WITNESS WHEREOF, the Assignor has duly executed this Assignment on the date set opposite his signature below.

DATE

5-13-88

SIGNATURE

x Daniel Lee Smith

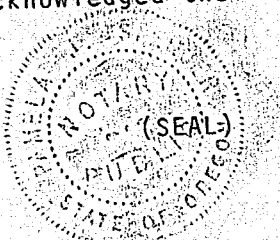
Assignor

STATE OF Oregon }  
County of Klamath } ss.

5-13

, 1988

Personally appeared before me the above-named DANIEL LEE SMITH and acknowledged the foregoing instrument to be his voluntary act and deed.



Pamela Spencer

NOTARY PUBLIC FOR OregonMy Commission Expires: 8-16-88

KNOW ALL MEN BY THESE PRESENTS, THE FEDERAL LAND BANK OF SPOKANE, Vendor under the Contract of Sale for which a memorandum was recorded on May 11, 1987, in Vol. M-87, Page 8024, Microfilm Records of Klamath County, Oregon, described in the foregoing Vendor's Collateral Assignment of Contract, acknowledges and consents to the same. In so doing, said Vendor does not, either expressly or by implication, modify, amend, or otherwise change the covenants, terms, conditions, and provisions of the Contract.

DATE: May 11, 1988

THE FEDERAL LAND BANK OF SPOKANE

By: Greg Williams, Manager  
(Name & Title)

Order No.: 19604-D

EXHIBIT "A"  
LEGAL DESCRIPTION

## PARCEL 1

Township 35 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

Section 31: S1/2 S1/2 N1/2 NE1/4, S1/2 NE1/4, SE1/4 and that portion of the S1/2 N1/2 SE1/4 NW1/4, S1/2 SE1/4 NW1/4, N1/2 SW1/4 and the SE1/4 SW1/4 lying East of the Sprague River.

Section 32: That portion of the S1/2 SW1/4 lying West of the Sprague River.

Township 36 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

Section 5: Lot 4, SW1/4 NW1/4 and that portion of Lot 3 and the SE1/4 NW1/4 lying West of Sprague River

Section 6: Lots 1 and 2, S1/2 NE1/4

Tax Account No.: 3510 00000 01700  
3510 00000 01800  
3510 00000 02100  
3510 00000 02200  
3510 00000 02300  
3510 00000 02400  
3610 00000 01000  
3610 00600 00100

## PARCEL 2

Township 36 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

Section 6: That portion of Lot 3, SE1/4 NW1/4 and the NE1/4 SW1/4 lying East of the Sprague River

Tax Account No.: 3610 00600 00200

7591

## EXHIBIT "B"

CR. DATE	BY	QUAN.	DESCRIPTION	NUMBERS	
			#27981		
		5	pcs. 4" x 40' B & L supply		
		2	pcs. 4" x 20' B & L supply, 1-4" x 45° B & L Elbow		
		1	10" x 25' supply C.L.		
		1	10" x 450 Ames C.L. elbow, 1-10" loc. ring		515.70
			#26514	700 <sup>00</sup>	
		1	10" Pierce gasket		
		1	3" same, 1-6" same, 1-10" Travis clamp, 1-8" & 1-6" flapper drain complete, 1- internal drain gasket		37.88
			#27882		
		2	50 HP Cornell 5 WB pumps w/ part wing Klockner- Humboldt panels, 24 hr. timer, low pressure shut off switch, suction & disch. priming pump		
		1	custom built disch. manifold with 10" cutist, 2" relief valve for 50 HP pumps		
		1	custom built steel pump sump with double Galv. screens to fit 50 HP pumps above	17400 <sup>00</sup>	7383.40
			#27884		
		4	4 x 4 Valve opening els		
		1	10" x 8" R.L. reducer w/ clamp		
		1	8" x 6" R. L. reducer w/ clamps, 1- 6" surge plug		
		1120	10" x 40' x 60' Valves on Al. mainline		10172.06
			#27729	6500 <sup>00</sup>	
		4	1280' x 4" wheelmover/press w/ 76" wheels, 7 HP hydraulic mover, 20' hose, 430 Rainbirds, internal drain gasket couplers		17451.30
			#24770	12000 <sup>00</sup>	
		1300	1" P.V.C. pipe, 2 - 1" x 1" x 3/4" SS tee		
		2	1" 45° elbows		
		2	1" 90° El., 6 - 1" male adapter,		
		1	2" coupling, 1- 2" female adapter, 1 - 2" SSG tee		
		3	1" stop & waste		220.42
				DEWIN PAYMENT	

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co. the 16th day  
of May A.D. 19 88 at 12:19 o'clock P M., and duly recorded in Vol. M88,  
of Deeds on Page 7586

FEE \$30.00

MTC

Evelyn Stehn County Clerk  
By Bernetha H. Holsch