

ASSIGNMENT OF LAND SALE CONTRACT  
PROCEEDS AS COLLATERAL

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FOR VALUE RECEIVED, we, the undersigned, hereby assign, transfer and set over to South Valley State Bank, c/o Main Office, at Klamath Falls, Oregon, and its successors and assigns, hereinafter referred to as Bank, the net proceeds which we have as Vendors in that Contract of Sale presently escrowed with Klamath County Title Company, Escrow No. 3140, between Donald D. Sarutzki and Agnes Sarutzki, husband and wife, as Sellers, and George E. Thompson and Alice J. Thompson, husband and wife, as Buyers, subject to the following terms and conditions, to-wit:

1. Net proceeds are those proceeds under said contract which are remaining and are to be paid to Donald D. Sarutzki and Agnes Sarutzki following the payment by Klamath County Title Company of that mortgage owed to Charles Clyde Whittemore, Jr., referred to as mortgage number two in the additional escrow instructions on file with Klamath County Title Company, and also following the payment of that mortgage owed to the State of Oregon, Department of Veterans Affairs, referred to as mortgage number three in the additional escrow instructions on file with Klamath County Title Company, in the event it is necessary under the terms of those additional instructions that mortgage number three be paid by Klamath County Title Company.

2. That this Assignment is done for the purpose of providing additional collateral for that loan owed by Sarutzki Irrigation, Inc. to South Valley State Bank wherein Sarutzki Irrigation, Inc. owes South Valley State Bank the approximate sum of \$300,000.00, a copy of

1 which said Note is attached to this Assignment marked Exhibit A and by  
 2 this reference made a part hereof. This Assignment shall become effective  
 3 upon such time and only upon such time as Sarutzki Irrigation, Inc. shall  
 4 be in default under said Note by having committed a material breach there-  
 5 of. Until such time as such a material breach shall occur, Klamath County  
 6 Title Company shall continue accepting payments on the above described  
 7 escrow and shall continue paying them in the manner presently set out  
 8 therein.

9 3. That notice of default and material breach may be given  
 10 by Bank notifying Klamath County Title Company in writing that a material  
 11 breach has occurred and that Sarutzki Irrigation, Inc. is in default.

12 4. That this Assignment of Proceeds as Collateral shall  
 13 be irrevocable and shall continue until such time as Bank and Donald D.  
 14 Sartuzki and Agnes Sarutzki shall notify you to the contrary or until  
 15 such time as proof is presented by any party herein that the above  
 16 referred to Note owed by Sarutzki Irrigation, Inc. to South Valley State  
 17 Bank is satisfied in full.

18 DATED this 22<sup>nd</sup> day of Feb, 1984.

19  
 20 Donald D. Sarutzki  
 21 Donald D. Sarutzki

Agnes Sarutzki  
 Agnes Sarutzki

22 SUBSCRIBED AND SWORN to before me this 22<sup>nd</sup> day of Feb, 1984.

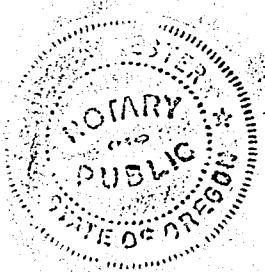
23 Robert S. Hamilton  
 24 Notary Public for Oregon  
 My Commission Expires: July 24, 1987

25 SOUTH VALLEY STATE BANK

26 BY [Signature]

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1 SUBSCRIBED AND SWORN to before me this 2nd day of March, 1984.



Julia Christensen  
Notary Public for Oregon  
My Commission Expires: 10-17-87

ASSIGNED TO THE SMALL BUSINESS ADMINISTRATION,  
AN AGENCY OF THE UNITED STATES GOVERNMENT.

SOUTH VALLEY STATE BANK

BY: Duane Bodtker  
DUANE BODTKER  
ASSISTANT VICE-PRESIDENT

STATE OF OREGON, ss.  
County of Klamath

Filed for record at request of:

Small Business Administration  
on this 15th day of Aug. A.D. 19 90  
at 11:59 o'clock A M. and duly recorded  
in Vol. M90 of Deeds Page 16358

Evelyn Biehn County Clerk  
By Caroline Neulander  
Deputy.

Fee, \$38.00

Return: Small Business Administration  
222 SW Columbia St. #500

cc: DOM 2W Portland, OR 97201

RECORDED BY 21501-2002  
333 SW COLUMBIA STREET, SUITE 500

YEAR RECORDING BUREAU NO: 2WAT BUSINESS ADMINISTRATION

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