

For value received, MARGIE F. FITZGERALD ("Assignor") assigns the following-described property ("Collateral") 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 Lease Agreement ("Lease") dated December 29, 1986 and memorandum of lease of business premises dated February 9, 1987, recorded February 18, 1987, Volume M87, Page 2587, Klamath County real property records by and between Assignor as Lessor and Cyrus R. McColgin and Patricia Ann McColgin, as tenants, together with all monies due or to become due thereunder. The tenants' interest in the Lease was subsequently assigned to Mike Eittreim by McColgins and the Lease was modified, both pursuant to Assignment and Assumption Agreement dated April 1, 1988 between Assignor, McColgins and Eittreim. Assignor's interest in the Lease and monies due or to become due thereunder assigned hereby include the Lease as modified by the Assignment and Assumption Agreement and all of Assignor's right, title and interest under the Assignment and Assumption Agreement together with all monies due or to become due thereunder.

"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;

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

This Assignment is made as security for the payment of any and all indebtedness now or at any time hereafter owing by Assignor to Bank dated September 28, 1990, in the principal amount of \$35,000.00, together with interest thereon in accordance with

its terms and tenor, and together with any renewals or extensions thereof.

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, Assignor's 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. 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.

19655

Assignor shall be in default under this Assignment upon the happening of any of the following events or conditions:

(a) If Assignor shall fail to pay, when due, any installment of any indebtedness owing by Assignor to Bank.

(b) If Assignor shall fail to perform or abide by any covenant or promise made by Assignor herein.

(c) If any warranty, representation or statement made by Assignor to Bank is false in any material respect when made.

(d) If there shall be any loss, sale or encumbrance to or of any of the Collateral, or the making of any levy, seizure or attachment thereon.

(e) If there shall be a death of Assignor, or insolvency or commencement of any proceeding under any bankruptcy or insolvency law by or against Assignor.

Upon such default and at any time thereafter, Bank shall have each and all of the rights and remedies available to Bank under the Uniform Commercial Code, as adopted in Oregon, and any other applicable law, and as otherwise provided by this Assignment and the indebtedness hereby secured; and, upon such default or at any time thereafter, Bank may, without notice, declare any and all indebtedness secured hereby immediately due and payable.

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. 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, Assignor 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 agreement, the singular includes the plural and the masculine pronoun includes the feminine and neuter.

IN WITNESS WHEREOF, Assignor has executed this Assignment this  
28th day of September, 1990.

  
MARGIE F. FITZGERALD

///

Page 3 - ASSIGNMENT

\\WP50\EF\FITZGER.ASS/km

19656

STATE OF OREGON )  
County of Klamath ;

The foregoing instrument was acknowledged before me this 28  
day of September, 1990 by MARGIE F. FITZGERALD.



C. H. Hume  
Notary Public for Oregon  
My Commission expires: 1-16-94

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of \_\_\_\_\_ the 28th day  
of Sept. A.D., 19 90 at 2:30 o'clock P.M., and duly recorded in Vol. M90,  
of Mortgages on Page 19653.

FEE \$23.00

Evelyn Biehn County Clerk

By Pauline M. Miskadore

Return: KCTC

Page 4 - ASSIGNMENT

\\WP50\\EF\\FITZGER.ASS/km