

34880

Vol. 119 Page 19021

K-43488

Customer/Note No. 22833 301 & 302

ASSIGNMENT AND PLEDGE AGREEMENT

THIS ASSIGNMENT AND PLEDGE AGREEMENT dated September 18, 1991, given by Rose House, a single woman and John Q. House, a single man, as pledgor, hereinafter referred to as "Borrower," whose mailing address is Box 128, Beatty Oregon 97621, to Farm Credit Bank of Spokane, pledgee, hereinafter referred to as "Lender," whose mailing address is 900 Klamath Avenue, P. O. Box 148, Klamath Falls, OR 97601.

Borrower has entered into a purchase and sale agreement with Claude W. Taylor and Beverly A. Taylor for the purchase of the property described in Exhibit A attached hereto, which is subject to a mortgage to Lender. The purchase price is to be paid \$100,000.00 down payment in cash at closing and the balance by promissory note secured by a Trust Deed.

Lender in consideration of the terms and conditions hereof shall release the property in Exhibit A from its Real Estate Contract dated May 16, 1988. Borrower assigns and shall deliver to Lender \$40,000.00 of the downpayment to be applied as follows:

- To pay all accrued interest and past due principal under note no. 22833 301; and
- To pay all accrued interest and past due principal under note no. 22833 302; and
- The balance to be applied against the unmatured principal of note no. 22833 301.

Borrower does hereby assign, pledge, transfer and convey to Lender, its successors and assigns, a security interest and pledge in the following described property, hereinafter called "Collateral":

All present and future rights under that certain note from Claude W. Taylor and Beverly A. Taylor, dated September 12, 1991 in the original principal amount of \$150,000, together with all rights under the All Inclusive Trust Deed and any amendments thereto dated September 12, 1991 recorded September 20, 1991 as Instrument No. 34879, in Klamath County, Oregon, and any amendments thereto, and affecting property legally described as per attached Exhibit A, and all rights under any other security instruments signed in connection with said note which instruments are hereby assigned to Lender.

This Assignment and Pledge is given to secure:

Payment of the following described note(s) or other instruments of debt executed by Borrower and held by Lender:

Amount of Loan

\$ 96,150.00

Date of Note

March 16, 1988

Maturity Date of Note

June 1, 2003

791 SEP 20 PM 1 34

86,350.00

March 16, 1988

June 1, 2003

The note(s), the security documents and any other document or instrument signed in connection with the note(s) and security documents and any amendments thereto are referred to collectively as the "Loan Documents."

Payment of all extensions, fees, or advances and interest on all indebtedness secured hereby at the interest rate(s) described in the Loan Documents. The interest rate, payment terms or balance due under the Loan Documents may be indexed, adjusted, renewed or renegotiated.

Performance by Borrower of the terms, covenants and conditions of this Assignment and Pledge and the Loan Documents.

BORROWER FURTHER WARRANTS, COVENANTS AND AGREES AS FOLLOWS:

1. Lender shall be entitled to receive all regular installment payments due under the Collateral. Such payments shall be first applied to all interest and principal due and payable under note no. 22833 301 and the balance shall be applied to note no. 22833 302.
2. Lender shall be entitled to receive 75% of any payments in addition to the regular installment due under the Collateral. Such payments shall be applied as additional principal payments against note no. 22833 301 until such note is paid in full. After which time, any such payments shall be applied against note no. 22833 302.
3. Borrower has good and legal right to assign, pledge, transfer and convey the Collateral and represents that as of the date of this Assignment, the Collateral is transferable and free from prior encumbrances of any kind. Borrower further agrees to keep the Collateral free from all liens, encumbrances, and security interests (other than created herein) and defend it against all claims and legal proceedings by persons other than Lender.
4. Borrower understands that this Assignment and the application of funds pursuant hereto do not in any way reduce or alter Borrower's obligation to repay the debt secured hereby, as the same shall become due and to pay any deficiencies after realization on the Collateral by Lender.
5. Borrower hereby warrants and agrees that Lender shall retain actual possession of the Collateral until all obligations and undertakings of Borrower secured hereby have been fully paid and performed. Upon demand Borrower shall execute, assign, and endorse all proxies, applications, acceptances, stock powers, chattel paper, documents, instruments or other evidences of payment or writing constituting or relating to any of the Collateral and Borrowers shall perform such other acts Lender may request. All assignments and endorsements by Borrower shall be in such form and substance as may be satisfactory to Lender.
6. In its discretion and without notice to Borrower, Lender may take any one or more of the following actions, without liability except to account for property actually received by it:

- a. Transfer to or register in its name, or in the name of its nominee, any of the Collateral, with or without indication of the security interest herein created, and whether or not so transferred or registered, receive income dividends and other obligations thereon and hold them or apply them to the obligations in any order of priority;
- b. Exercise or cause to be exercised all voting and corporate powers with respect to any of the Collateral so registered or transferred to, including all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to such Collateral, as if the absolute owner thereof;
- c. Insure any of the Collateral;
- d. Exchange any of the Collateral for other property upon a reorganization, recapitalization or other readjustment and, in connection therewith, deposit any of the Collateral with a committee or depository upon such terms as Lender may determine;
- e. In its name or in the name of the Borrower, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for any of the Collateral and, in connection therewith, endorse notes, checks, drafts, money orders, documents of title, or other evidence of payment, shipment or storage in the name of Borrower;
- f. Make any compromise or settlement deemed advisable with respect to any of the Collateral;
- g. Renew, extend, or otherwise change the terms and conditions of any of the Collateral or the obligations;
- h. Take or release any other Collateral, security for any of the Collateral or the obligations; and,
- i. Add or release any guarantor, endorser, surety or other party to any of the Collateral or the obligations.

Lender shall be under no duty to exercise or to withhold the exercise of any of the rights, powers, privileges and options expressly or implicitly granted to the secured party in this agreement, and shall not be responsible for any failure to do so or to delay in so doing.

7. Time is of the essence. In the event Borrower defaults in the payment of the principal of or interest on any obligation secured hereby, breaches any covenant, warranty or agreement, becomes insolvent or bankrupt, makes an assignment for the benefit of creditors or if a receiver is appointed for any of Borrower's assets or if any of the Collateral is seized under garnishment, levy or attachment, the entire amount of the secured obligations shall at Lender's discretion become immediately due and payable without notice of demand. Lender may exercise from time to time, any rights and remedies available to it under the Uniform Commercial Code and any rights and remedies granted to Lender by the provisions of the Loan Documents.

8. If this agreement or any obligations secured by it is referred to an attorney for collection or realization, Lender shall be entitled to collect reasonable attorney's fees, including fees incurred in trial, appellate or bankruptcy court or without suit, expenses of title search, all court and sheriff's costs, and other legal expenses reasonably incurred in protecting or realizing on the Collateral. Any payment made by Borrower and any sum received by Lender through collection of or realization on the Collateral may be applied as Lender shall elect to any of the secured obligations, whether matured or unmatured, except as otherwise provided herein.
9. Any delay or failure by Lender in the exercise of any right or remedy described herein or in any loan agreements between Borrower and Lender shall not constitute a waiver thereof, and no exercise by Lender of any right or remedy shall preclude other or further exercises thereof, or the exercise of any other right or remedy.
10. Any notice by Lender to Borrower shall be transmitted to the mailing address of Borrower which is cited above. Ten days from the day in which the notice is sent shall be a reasonable period of notification of sale or other disposition of Collateral by Lender.
11. Borrower agrees to take any action requested by Lender to perfect or continue the lien and priority of the Collateral. Lender may record this agreement or a memorandum thereof.

This assignment shall bind and inure to the benefit of the parties hereto, their heirs, legal representatives, successors and assigns.

DATE SIGNED:

Sept 19, 1991

Rose House
ROSE HOUSE

STATE OF California

) ss.

County of Santa Clara

John Q. House
JOHN Q. HOUSE

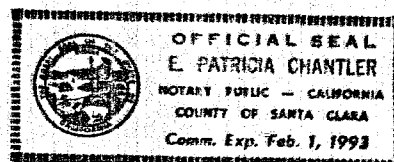
On this 19th day of September, before me personally appeared Rose House, to me known to be the person(s) described in and who executed the within instrument, and acknowledged that they executed the same as their free act and deed.

Patricia Chantler
Notary Public for the State of California
Residing at Salroy, CA
My commission expires 2/1/93

STATE OF OREGON

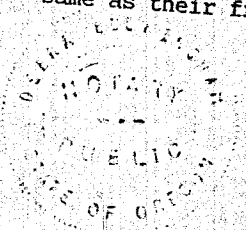
) ss.

County of Klamath



19025

On this 18th day of September 1991, before me personally appeared John Q. House, to me known to be the person(s) described in and who executed the within instrument, and acknowledged that they executed the same as their free act and deed.



[Signature]
Notary Public for the State of Oregon
Residing at Klamath Falls
My commission expires 12-19-92

After Recording Return To:
Farm Credit Bank
900 Klamath Ave.
Klamath Falls, Oregon 97601
Attn: Hugh (Keith)

EXHIBIT "A"

Township 36 South, Range 12 East of the Willamette Meridian
Section 8: Lot 29 and all those portions of Lots 21, 27,
28 and 30 lying Southerly of the center of the
main channel of Sprague River.
Section 17: Lots 1 through 28 inclusive.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co. the 20th day
of Sept. A.D., 19 91 at 1:34 o'clock P.M., and duly recorded in Vol. M91
of Mortgages on Page 19021

FEE \$28.00

Evelyn Biehn
By [Signature] County Clerk