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Volume 3 Page 32514

## COLLATERIAL ASSIGNMENT OF TRUST DEED

KNOW ALL MEN BY THESE PRESENTS, that Stephan and Doris Salata hereinafter called "Debtors", for valuable consideration, do hereby assign, transfer and set over to: Otha L. Simons and Irene M. Simons, Trustees hereinafter called "Secured Party", its successors and assigns, all right, title and interest in and to that Trust Deed HEREINAFTER CALLED "The Collateral". The Debtor hereby covenants to and with said secured party that the undersigned is the debtor and is the owner of the above described collateral and that he has good right to sell, transfer and assign the same, and the note or other obligation secured hereby, and that there is now unpaid on the obligations secured by said Trust Deed, the sum of not less than \$ 28,481.56 with interest thereon from Oct. 4, 1993, with an interest rate of 8 %.

Debtors also do hereby transfer unto Secured Party its successors and assigns all of their rights and interest in and to all property to the above mentioned security.

The assignment hereby creates a security interest in said collateral in order to secure unto Secured Party (i) the payment of a Promissory Note dated Oct. 1993, executed and delivered by Debtors to Secured Party, in the sum of \$ 48,500.00, made by Secured Party to Debtors at Secured Party's option; (iii) all other liabilities, whether primary or secondary, direct or indirect, absolute or contingent, sole, joint or several, due or to become due, now existing or hereafter arising, of each of the Debtors hereunder, including each Debtor and any other party or parties to Secured Party. Provided that upon the full payment of all obligations and liabilities of Debtors to Secured Party secured hereby, this assignment shall become null and void, otherwise to remain in full force and effect.

As used herein the term "Debtors" include the singular; and the masculine gender includes the feminine and neuter.

For additional terms see Exhibit A.

Dated this 19 day of October, 1993.

Stephen M. Salata

Doris M. Salata

Doris M. Salata

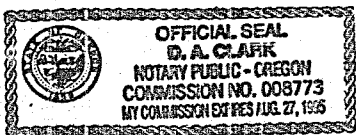
Otha L. Simons, Trustee

Irene M. Simons, Trustee

Irene M. Simons, Trustee

STATE OF Oregon, County of Josephine } ss.

On this 27 day of October, 1993, personally came before me, a notary public in and for said county and state, the within named Otha L. Simons and Irene M. Simons to me personally known to be the identical persons described in and who executed the foregoing assignment, and they acknowledged to me that they executed the same freely and for uses and purposes therein named. Witness my hand and seal, the day and year in this certificate above written.



D. A. Clark  
Notary Public for Oregon

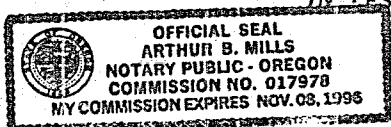
STATE OF OREGON,

County of Klamath } ss.

BE IT REMEMBERED, That on this 19 day of October, 1993, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Stephen M. Salata and Doris M. Salata

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



Arthur B. Mills  
Notary Public for Oregon  
My Commission expires 11-8-96

## EXHIBIT "A", ATTACHED AND MADE A PART THEREOF.

## ADDITIONAL PROVISIONS

The debtor hereby further warrants and covenants that the financing statement covering any of the Collateral described on the reverse hereof, or the products or proceeds thereof, is on file in any public office. The debtor is the owner of said Collateral and each and every part thereof free from any prior lien, security interest or encumbrance and will defend the Collateral against the claims and demands of all persons whatsoever.

The debtor will not sell, exchange, lease or otherwise dispose of the Collateral, or any part thereof, or suffer or permit any lien, levy or attachment thereon or security interest therein or financing statement to be filed with reference thereto, other than that of the secured party.

Debtor will maintain the Collateral in good condition and repair and preserve the same against waste, loss, damage or depreciation in value other than by reasonable wear. The debtor will not use any of the Collateral in violation of any law or public regulation. Secured party may examine and inspect the Collateral at any reasonable times, wherever located, and for that purpose hereby is authorized by debtor to enter any place or places where any part of the Collateral may be.

Debtor will keep the Collateral fully insured against loss or damage by fire, theft (and collision if applicable) and such other hazards as secured party may from time to time require, with such deductible provisions, upon such terms, including loss payable approvals; debtor immediately will deliver all policies to the secured party, to be retained by the latter in pledge to secure debtor's obligation hereunder, with irrevocable policy, discharge and release any insurer, endorse in debtor's name any loss or refund check or draft and, in general, exercise in the name of the debtor or otherwise, any and all rights of the debtor in respect thereof or in respect to the proceeds thereof.

Debtor will pay, when due, all taxes, license fees and assessments relative to the Collateral and its use and relative to the note and obligations secured hereby. Should debtor fail in his performance of any of the foregoing, the secured party may pay any and other endorsements, and in such company or companies as the secured party may approve; debtor immediately will deliver all policies to the secured party, to be retained by the latter in pledge to secure debtor's obligation hereunder, with irrevocable policy, discharge and release any insurer, endorse in debtor's name any loss or refund check or draft and, in general, exercise in the name of the debtor or otherwise, any and all rights of the debtor in respect thereof or in respect to the proceeds thereof.

Debtor will pay, when due, all taxes, license fees and assessments relative to the Collateral and its use and relative to the note and obligations secured hereby. Should debtor fail in his performance of any of the foregoing, the secured party may pay any and other endorsements, and in such company or companies as the secured party may approve; debtor immediately will deliver all policies to the secured party, to be retained by the latter in pledge to secure debtor's obligation hereunder, with irrevocable policy, discharge and release any insurer, endorse in debtor's name any loss or refund check or draft and, in general, exercise in the name of the debtor or otherwise, any and all rights of the debtor in respect thereof or in respect to the proceeds thereof.

The debtor will join with the secured party in executing, filing and doing whatever may be necessary under applicable law to perfect and continue the secured party's security interest in the Collateral, all at debtor's expense.

Debtor hereby consents to any extension of time of payment and to any substitution, exchange or release of Collateral and to the addition to or release of any party or person primarily or secondarily liable for the obligations, or part thereof.

## General Provisions:

The note which this agreement secures is a separate instrument and may be negotiated, extended or renewed by the secured party without releasing the debtor, the Collateral or any guarantor or co-maker.

All of the terms herein and the rights, duties and remedies of the parties shall be governed by the laws of Oregon. Any part of this agreement contrary to the law of any state having jurisdiction shall not invalidate other parts of this agreement in that state.

All of the benefits of this agreement shall inure to the secured party, his successors in interest and assigns and the obligations hereunder shall be binding upon the debtor, his legal representatives, successors and assigns.

If there be more than one debtor or a guarantor or co-maker of the note or this agreement, the obligation of each and all shall be primary and joint and several.

The secured party shall not be deemed to have waived any of his rights under this or any other agreement executed by the debtor unless the waiver is in writing signed by the secured party. No delay in exercising secured party's rights shall be a waiver and shall a waiver on one occasion operate as a waiver of such right on a future occasion.

Each notice from one to the other party to this agreement shall be sufficient if served personally or given by U.S. registered or certified mail, or by telegraph, or addressed to the other party at his address as set forth on the reverse hereof, or as told address may be changed by written notice in the other given pursuant to this paragraph. Reasonable notice, when notice is required, shall be deemed to be five days from date of mailing.

In construing this security agreement the masculine pronoun shall include the feminine and the neuter and the singular shall include the plural, or the circumstances within the meaning of Regulation 2 and the Truth in Lending Act.

A carbon impression of any signatures on any copy of this contract shall be deemed, for all purposes, an original signature.

## Section 3. Default:

Time is of the essence hereof, the debtor shall be in default under this agreement upon the happening of any of the following events or conditions:

- (a) Debtor's failure to pay, when due, the principal of or interest on said note or obligations, or any installment thereon;
- (b) Debtor's failure to keep, observe or perform any provision of this agreement or any other agreement between him and the secured party;
- (c) The discovery of any misrepresentation, or material falsity of any warranty, representation or statement made or furnished by debtor to the secured party whether or not in connection with this agreement;
- (d) Loss, theft or destruction of or substantial damage to any of the Collateral;
- (e) The secured party deems or has reasonable cause to deem himself insecure;
- (f) Failure or termination of the business of, or commencement of any insolvency or receivership proceedings by or against the debtor, or if the debtor or any guarantor or co-maker of said note dies or becomes insolvent, and if debtor or any guarantor or co-maker of said note is a partnership, the death of any partner.

## Remedies of Secured Party:

Upon debtor's default, secured party shall have each and all of the rights and remedies granted to him by the Uniform Commercial Code of Oregon, by the said note and by this agreement and may declare the note and obligations immediately due and payable and may require debtor to assemble the Collateral and make it available to the secured party at a place to be designated by the secured party which is reasonably convenient to both parties. The debtor agrees to pay the secured party's reasonable attorney's fees and other expenses incurred by the latter in retainer, holding, preparing for sale and realizing on said Collateral. Should suit or action be instituted on this contract, on the said note or to replevy said collateral, or any part thereof, debtor agrees to pay (1) plaintiff's reasonable attorney's fees to be fixed by the trial court and (2) an appeal, sum shall be included in the obligations secured hereby.

This security agreement should be used along with Doc. # 69977, Vol. 193, recorded the 19 day of OCT, 1993. PAGE 27410

RETURN TO:

EQUITY TRUST DEEDS  
407 N.E. 8th ST.  
GRANTS PASS, OR 97526  
(503) 479-9474

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Credit Bureau of Klamath Co. the 7th day of Dec. A.D., 19 93 at 2:49 o'clock P. M., and duly recorded in Vol. M93 of Mortgages on Page 32514

FEE \$15.00

Evelyn Biehn County Clerk

By Pauline Macdonald