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K-47521

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KNOW ALL MEN BY THESE PRESENTS, That

ROSE HOUSE AND JOHN Q. HOUSE

called "First Party," for a valuable consideration received from

DAVID FAIRCLO

called "Second Party," hereby sells and assigns to Second Party and to Second Party's heirs, personal representatives, successors and permitted assigns, a participating interest of 50% percent in that certain mortgage made by

CLAUDE W. TAYLOR AND BEVERLY A. TAYLOR

as mortgagor, in favor of ROSE HOUSE AND JOHN Q. HOUSE

as mortgagee, dated September 12, 1991, in Book/Reel/Volume No. M91, at page 19018, or as Document/Fee/File/Instrument/Microfilm No. 34879\* of the Records of

Klamath County, Oregon, and in and to said percent of the principal balance of the obligation secured thereby, and the interest due and to become due thereon. First Party warrants that the current unpaid principal balance of the obligation secured by said mortgage is \$146,579.81, plus interest at 9% percent per annum thereon from May 25, 1995.

\*Re-recorded on Dec. 2, 1991 in M91-25082, document #38044

First Party further warrants for himself, his heirs, personal representatives, successors and assigns, to and with Second Party, that (1) First Party is the lawful owner and holder of said mortgage and the obligation secured thereby, and has a good right to sell and assign said participating interest therein; (2) that said mortgage is not in default; (3) that First Party is insured by a policy of mortgagee's title insurance showing said mortgage to be a first or (if other than first, state which) lien on the property, except items not normally excepted in said policies; (4) that First Party has and will keep in his possession, the original note, mortgage, and the title insurance policy; (5) that First Party will continuously hold evidence of and maintain hazard insurance as required by the mortgage, with loss payable to First Party, any proceeds of which First Party will hold and pay to Second Party in proportion to Second Party's interests; and (6) that First Party has no undisclosed knowledge of any fact which would adversely affect the marketability of said loan.

The parties agree that (1) neither party will assign his interest without consent of the other, nor modify or waive any provision of said note and mortgage; (2) First Party shall collect the payments due on said mortgage and remit Second Party's share to Second Party or to a depository designated by Second Party, within days of First Party's receipt thereof; (3) First Party will maintain customary financial records of the loan and furnish copies thereof to Second Party at reasonable intervals on request; (4) First Party may, upon default of the obligor, in his own name but on behalf of both parties, make demands and exercise all rights of the parties, including foreclosure, as in First Party's discretion are needful and advisable to protect the interests of the parties hereto; (5) that after foreclosure or upon acquiring title by deed in lieu of foreclosure, each party shall be deemed a tenant in common of his respective percentage interest, subject to and including his respective percentage of (a) all costs and fees incurred in connection with the foreclosure and (b) income and expenses in connection with owning, holding, protecting and maintaining the property.

This assignment shall not constitute a partnership or joint venture, and each party shall be an independent contractor with respect to each other and any interested party, with no authority to bind the other, except as provided by the terms of this agreement. This assignment of said percentage of said mortgage and the obligation secured thereby is without recourse. The transfer of said participating interest shall be endorsed above First Party's signature on the reverse of each note or obligation secured by said mortgage.

In construing this instrument, the word "mortgage" shall include a deed of trust; "mortgagor" shall include a grantor in a deed of trust; "mortgagee" shall include a beneficiary under a deed of trust; the singular includes the plural, the masculine, the feminine and the neuter, and all changes shall be made or implied to make this instrument applicable equally to individuals or to corporations.

DATED: August 25, 1995

ROSE HOUSE  
JOHN Q. HOUSE  
FIRST PARTY

DAVID FAIRCLO  
SECOND PARTY

(If the first party is a corporation, affix its corporate seal and use the form of acknowledgment opposite.)

(ORS 93.490)

STATE OF OREGON,

County of Klamath } ss.  
August 25, 1995

Personally appeared the above named David Faircloth and John Q. House, individually, and acknowledged the foregoing instrument to be their voluntary act and deed.

(OFFICIAL SEAL)

Before me:

Notary Public for Oregon

My commission expires: 9/28/96

STATE OF OREGON, County of } ss.

Personally appeared 19, and

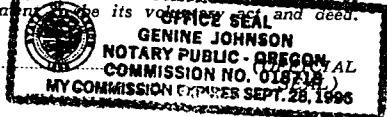
who, being duly sworn, each for himself and not one for the other, did say that the former is the president and that the latter is the secretary of

a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authorized officers, directors, and each of them acknowledged said instrument to be its voluntary act and deed.

Before me:

Notary Public for Oregon

My commission expires:



(The above acknowledgments are for the first party's use only; acknowledgment by the second party is not required.)

## ASSIGNMENT OF PARTICIPATING INTEREST

ROSE HOUSE

JOHN Q. HOUSE

TO

DAVID FAIRCLO

(DON'T USE THIS SPACE; RESERVED FOR RECORDING LABEL IN COUNTIES WHERE USED.)

AFTER RECORDING RETURN TO  
KLAMATH COUNTY TITLE CO.  
COLLECTION ESCROW DEPT.  
422 MAIN STREET  
KLAMATH FALLS, OR 97601

STATE OF OREGON,

County of Klamath } ss.

I certify that the within instrument was received for record on the 25th day of Aug, 1995, at 3:26 o'clock P.M., and recorded in book/reel/volume No. M95 on page 23082 or as document/fee/file instrument microfilm No. 5193, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Bernetha G. Letsch, Co Clerk

NAME Deputy  
TITLE