

63345

Vol. 198 Page 27226

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AFTER RECORDING RETURN TO:
Mainlander Services Corporation
25 82nd Drive, Suite 200
Gladstone, Oregon 97027

UNTIL A CHANGE IS REQUESTED,
SEND TAX STATEMENTS TO:
No Change

TRUE CONSIDERATION IS:
\$395,000.00

ASSIGNOR IS:
Jeffrey D. Baxter
13413 Highway 234
Gold Hill, Oregon 97525

ASSIGNMENT OF LEASES, RENTS, ISSUES AND PROFITS

This assignment made the 22nd day of July, 1998, by Jeffrey D. Baxter, hereafter referred to as Assignor, (which term as herein used shall be construed to include the plural thereof if the context so requires) to Mainlander Services Corporation hereafter referred to as Assignee.

W I T N E S S E T H:

Assignor, for good and valuable consideration, the receipt of which is hereby acknowledged, hereby grants, transfers and assigns to Assignee all rents, issues and profits arising out of the real property described hereinafter and herewith assigns all to the Assignee named above, the entire Lessor's interest in and to that certain lease(s) (including the plural thereof if the context so requires), including, but not limited to those Leases described as follows:

<u>Date of Lease</u>	<u>Lessor</u>	<u>Lessee</u>	<u>Prepaid Rents</u>
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Together with all rents, income and profits arising from said lease and renewals thereof and together with all rents, income and profits for the use and occupation of the premises described in said lease or in the mortgage hereinafter referred to and, at the option of Assignee, from all leases upon said premises which may be executed in the future during the term of this assignment.

This assignment is made for the purpose of securing:

A. The payment of principal sum, interest and indebtedness evidenced by a certain Promissory Note (it being agreed that the word "note" as hereinafter used shall be construed to mean "bond" if the context

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so requires), including any extensions or renewals thereof, in the original principal sum of \$395,000.00 made by Jeffrey D. Baxter to Mainlander Services Corporation and dated the 22nd day of July, 1998, and secured by a Trust Deed (it being agreed that the word "mortgage" as hereinafter used shall be construed to mean "trust deed" or "deed of trust" or "deed to secure debt" if the context so requires) on real and personal property situated in the County of Klamath and State of Oregon, such real and personal property is legally described as:

See Exhibit A and B attached hereto.

B. Payment of all other sums with interest thereon becoming due and payable to Assignee under the provisions of this assignment or of said note and mortgage.

C. The performance and discharge of each and every obligation, covenant and agreement of Assignor contained herein or in said note and mortgage.

Assignor warrants that Assignor is the sole owner of the entire Lessor's interest in said lease or rental agreements that said lease or rental agreements is valid and enforceable and has not been altered, modified or amended in any manner whatsoever save as herein set forth, that the Lessee named therein is not in default under any of the terms, covenants or conditions thereof; that no rent reserved in said lease has been assigned or anticipated and that no rent for any period subsequent to the date of this assignment has been collected in advance of the time when the same became due under the terms of said lease, except for the security deposit stated therein.

Assignor covenants with Assignee to observe and perform all the obligations imposed upon the Lessor under said lease and not to do or permit to be done anything to impair the security thereof, not to collect any of the rent, income and profits arising or accruing under said lease or from the premises described in said mortgage in advance of the time when the same shall become due, not to execute any other assignment of Lessor's interest in said lease or assignment of rents arising or accruing from said lease or from the premises described in said mortgage, not to alter, modify or change the terms of said lease or cancel or terminate the same or accept a surrender thereof or approve or permit any assignment or subletting by Lessee without the prior written consent of Assignee; at Assignee's request to assign and transfer to the Assignee any and all subsequent leases upon all or any part of the premises described in said lease or said mortgage and to execute and deliver at the request of Assignee all such further assurances and assignments in the premises as Assignee shall from time to time require.

This assignment is made on the following terms, covenants and conditions:

1. So long as there shall exist no default by Assignor in the payment of the principal sum, interest and indebtedness secured hereby and by said note and mortgage or in the performance of any obligation, covenant or agreement herein or in said note and mortgage or in said lease contained on the part of Assignor to be performed, Assignor shall have the right to collect at the time of, but not prior to, the date provided for the payment thereof, all rents, income and profits arising under said lease or from the premises described therein and to retain, use and enjoy the same.

2. Upon or at any time after default in the payment of the principal sum, interest and indebtedness secured hereby and by said note and mortgage or in the performance of any obligation, covenant or agreement herein or in said note, mortgage or lease contained on the part of Assignor to be performed, Assignee without in any way waiving such default may at its option without notice and without regard to the adequacy of the security for the said principal sum, interest and indebtedness secured hereby and by said note and mortgage, either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, take possession of the premises described in said lease and/or mortgage and have, hold, manage, lease and operate the same on such terms and for such period of time as Assignee may deem proper and either with or without taking possession of said premises in its own name, sue for or otherwise collect and receive all rents, income and profits of said premises, including those past due and unpaid with full power to make from time to time all alterations, renovations, repairs or replacements thereto or thereof as may seem proper to Assignee and to apply such rents, income and profits to the payment of: (a) all expenses of managing the premises including, without being limited thereto, the salaries, fees and wages of the managing agent and such other employees as Assignee may deem necessary or desirable and all expenses of operating and maintaining the premises, including without being limited thereto, all taxes, charges, claims, assessments, water rents, sewer rents and any other liens and premiums for all insurance which Assignee may deem necessary or desirable, and the cost of all alterations, renovations, repairs or replacements, and all expenses incident to taking and retaining possession of the premises: and (b) the principal sum, interest and other indebtedness secured hereby and by said note and mortgage, together with all costs and attorney's fees in such order of priority as to any of the items mentioned in this paragraph numbered "2" as Assignee in its sole discretion may determine, any statute, law, custom or use to the contrary notwithstanding. The exercise by Assignee of the option granted in this paragraph numbered "2" and the collection of the rents, income and profits and the application thereof as herein provided shall not be considered a waiver of any default by Assignor under said note or mortgage or under said lease or this assignment.

3. Assignee shall not be liable for any loss sustained by the Assignor resulting from Assignee's failure to let the premises after default or from any other act or omission of Assignee in managing the premises after default unless such loss is caused by the willful misconduct and bad faith of Assignee. Nor shall Assignee be obligated to perform or discharge nor does Assignee hereby undertake to perform or discharge any obligation, duty or liability under said lease or under or by reason of

this assignment and Assignor shall, and does hereby agree, to indemnify Assignee for, and to hold Assignee harmless from, any and all liability, loss or damage which may or might be incurred under said lease or under or by reason of this assignment and from any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said lease. Should Assignee incur any such liability under said lease or under or by reason of this assignment or in defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorney's fees shall be secured hereby and Assignor shall reimburse Assignee therefor immediately upon demand and upon the failure of Assignor so to do Assignee may, at its option, declare all sums secured hereby and by said note and mortgage immediately due and payable. And it is further understood that this assignment shall not operate to place responsibility for the control, care, management or repair of said premises upon Assignee, nor for the carrying out of any of the terms and conditions of said lease nor shall it operate to make Assignee responsible or liable for any waste committed on the property by the tenants or any other parties or for any dangerous or defective condition of the premises, or for any negligence in the management, upkeep, repair or control of said premises resulting in loss or injury or death to any tenant, licensee, employee or stranger.

4. Upon payment in full of the principal sum, interest and indebtedness secured hereby and by said note and mortgage this assignment shall become and be void and of no effect but the affidavit, certificate, letter or statement of any officer, agent or attorney of Assignee showing any part of said principal, interest or indebtedness to remain unpaid shall be and constitute conclusive evidence of the validity, effectiveness and continuing force of this assignment and any such person may, and is hereby authorized to, reply thereon. Assignor hereby authorizes and directs the Lessee named in said lease or any other or future Lessee or occupant of the premises described therein or in said mortgage upon receipt from the Assignee of written notice to the effect that Assignee is then the holder of said note and mortgage and that a default exists thereunder or under the assignment to pay over to the Assignee all rents, income and profits arising or accruing under said lease or from the premises described therein or in said mortgage and to continue so to do until otherwise notified by Assignee.

5. Assignee may take or release other security for the payment of said principal sum, interest and indebtedness, may release any party primarily or secondarily liable therefor and may apply any other security held by it to the satisfaction of such principal sum, interest or other indebtedness without prejudice to any of its rights under this assignment.

6. The term "lease" or "said lease" as used herein means said lease hereby assigned or, at the option of Assignee, any extension or renewal thereof and any lease subsequently executed during the term of this assignment covering the premises described in said lease or said mortgage or any part thereof.

7. Nothing contained in this assignment and no act done or omitted by Assignee pursuant to the powers and rights granted it hereunder shall be deemed to be a waiver by Assignee of its rights and remedies under said note and mortgage, and this assignment is made and accepted without prejudice to any of the rights and remedies possessed by Assignee under the terms of said note and mortgage. The right of the said Assignee to collect said principal sum, interest and other indebtedness and to enforce any other security therefor held by it may be exercised by Assignee either prior to, simultaneously with, or subsequent to any action taken by it hereunder.

8. In case of any conflict between the terms of this instrument and the terms of the mortgage described above, the terms of the mortgage shall prevail.

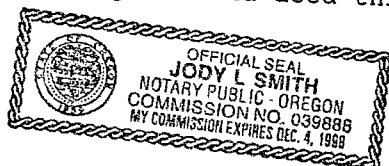
This assignment, together with the covenants and warranties therein contained, shall inure to the benefit of Assignee and any subsequent holder of the said note and mortgage and shall be binding upon Assignor, his heirs, executors, administrators, successors and assigns and any subsequent owner of the mortgaged premises.

DATED: _____

Jeffrey D. Baxter
ASSIGNOR

STATE OF OREGON)
) ss.
County of Jackson)

Personally appeared before me Jeffrey D. Baxter who being first duly sworn did say he executed the foregoing instrument as his free and voluntary act and deed this 22 day of July, 1998.



Jody L. Smith
NOTARY PUBLIC FOR OREGON
My Commission Expires: Dec. 4, 1998

EXHIBIT "A"
LEGAL DESCRIPTION

27231

The E1/2 SW1/4, Government Lots 3 and 4, Section 30, Township 37 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, and SE1/4 of Section 25, Township 37 South, Range 11 1/2 East of the Willamette Meridian, Klamath County, Oregon.

ALSO a parcel of land situate in the S1/2 SE1/4 of Section 30, Township 37 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the NW corner of the S1/2 SE1/4 of Section 30, thence South 00 degrees 11' 15" East along the West line of said S1/2 SE1/4, 1221.23 feet; thence leaving said West line, North 45 degrees 32' 28" East 39.08 feet to the point of curvature of a curve to the left; thence along the arc of a 170.00 foot radius curve concave to the North (delta = 44 degrees 28' 07") a distance of 131.94 feet (long chord = North 23 degrees 18' 35" East 128.65 feet), thence generally along a fence line, North 01 degrees 04' 31" East 1076.01 feet to a point on the North line of the S1/2 SE1/4 of said Section 30; thence leaving said fence line South 89 degrees 56' 16" West along said North line, 103.00 feet to the point of beginning.

SAVING AND EXCEPTING a parcel of land situate in the SE1/4 SW1/4 of Section 30, Township 37 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the South quarter corner of Section 30, Township 37 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, said corner being the quarter corner common to Sections 30 and 31 of said Township and Range, thence North 89 degrees 59' 16" West along the South line of said Section 30, a distance of 166.00 feet; thence leaving the South line of said Section 30, and along the arc of a 170.00 foot radius curve concave to the North (delta = 44 degrees 28' 06") a distance of 131.94 feet (long chord = North 67 degrees 46' 41" East 128.65 feet); thence leaving said curve, North 45 degrees 32' 38" East a distance of 65.30 feet to a point on the East line SE1/4 SW1/4 of said Section 30; thence South 00 degrees 11' 15" East along said East line 94.45 feet to the point of beginning.

The E1/2 SW1/4, Government Lots 3 and 4, Section 30, Township 37 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, and SE1/4 of Section 25, Township 37 South, Range 11 1/2 East of the Willamette Meridian, Klamath County, Oregon.

ALSO a parcel of land situate in the S1/2 SE1/4 of Section 30, Township 37 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the NW corner of the S1/2 SE1/4 of Section 30, thence South 00 degrees 11' 15" East along the West line of said S1/2 SE1/4, 1221.23 feet; thence leaving said West line, North 45 degrees 32' 28" East 39.08 feet to the point of curvature of a curve to the left; thence along the arc of a 170.00 foot radius curve concave to the North (delta = 44 degrees 28' 07") a distance of 131.94 feet (long chord = North 23 degrees 18' 35" East 128.65 feet), thence generally along a fence line, North 01 degrees 04' 31" East 1076.01 feet to a point on the North line of the S1/2 SE1/4 of said Section 30; thence leaving said fence line South 89 degrees 56' 16" West along said North line, 103.00 feet to the point of beginning.

SAVING AND EXCEPTING a parcel of land situate in the SE1/4 SW1/4 of Section 30, Township 37 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

EXHIBIT "A"
LEGAL DESCRIPTION (continued)

Beginning at the South quarter corner of Section 30, Township 37 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, said corner being the quarter corner common to Sections 30 and 31 of said Township and Range, thence North 89 degrees 59' 16" West along the South line of said Section 30, a distance of 166.00 feet; thence leaving the South line of said Section 30, and along the arc of a 170.00 foot radius curve concave to the North (delta = 44 degrees 28' 06") a distance of 131.94 feet (long chord = North 67 degrees 46' 41" East 128.65 feet); thence leaving said curve, North 45 degrees 32' 38" East a distance of 65.30 feet to a point on the East line SE1/4 SW1/4 of said Section 30; thence South 00 degrees 11' 15" East along said East line 94.45 feet to the point of beginning.

EXHIBIT B TO DEED OF TRUST/FINANCING STATEMENT

27233

1. All buildings, structures, improvements, fixtures, furniture, furnishings, appliances, machinery and articles of property now or hereafter attached to, or used or adopted for use in the operation of, the real estate (herein the "premises") described in Exhibit A attached to the instrument with respect to which this Exhibit B is attached, including but without being limited to, all heating and incinerating apparatus and equipment whatsoever, all boilers, engines, motors, dynamos, generating equipment, piping and plumbing fixtures, ranges, cooking apparatus and mechanical kitchen equipment, refrigerators, cooling, ventilating, sprinkling and vacuum cleaning systems, fire extinguishing apparatus; gas and electric fixtures, carpeting, under padding, elevators, escalators, partitions, mantels, built-in mirrors, window shades, blinds, drapes, screens, storm sash, awnings, furnishings of public spaces, halls and lobbies and shrubbery and plants, together with any and all additions, accessions, replacements and substitutions to the property described in this paragraph 1. and all proceeds and products thereof, and including also all interest of Debtor or Debtor's successors in title in any of such items hereafter at any time acquired under conditional sale contract, chattel mortgage, lease, or other title retaining or security instrument, all of which property mentioned in this paragraph 1. shall be deemed a part of the realty and not severable wholly or in part without material injury to the freehold; and
2. All compensation, awards, damages, rights of action and proceeds, including the proceeds of any policies of insurance therefore, arising out of or relating to a taking or damaging of the premises by reason of any public or private improvement, condemnation proceeding (including change of grade), or fire, earthquake or other casualty; and
3. Return premiums or other payments upon any insurance at any time provided for the benefit of the secured party, and refunds or rebates of taxes or assessments on the premises; and
4. The right, title and interest of the Debtor in and under all leases now or hereafter affecting the premises including, without limitation, all rents, issues and profits therefrom; and
5. Plans, specifications, contracts and agreements for construction of improvements on the premises; Debtor's rights under any payment performance or other bonds in connection with construction of improvements on the premises including without limitation Debtor's rights under purchase orders, contracts, contracts for barge space and contracts or agreements with subcontractors; all construction materials, supplies and equipment delivered to the premises or used or to be used in connection with construction of improvements on the premises.
6. All deposits, returns, accounts, dividends, or similar monies from any source, entity, agency, account and all receivables attributable thereto with respect to any contract, agreement, work, right or activity, directly or indirectly, involving the real property described in Exhibit A, including but not limited to insurance, installation of utilities, installation of sewerage, installation of sidewalks, streets, curbing, gutters, drainage systems, water systems, lighting systems, gas systems and/or any other utility improvement development with respect to the subject property.

7. The following equipment and all proceeds, replacements, and substitutions, to wit:

100 HP Turbine HTJ826323

40 HP Pump & Berkley 8266884

20 HP Pump & Berkley 8266886

2 Valley 8 Tower Pivot 46125 & 46127

ACM 5" approximately 880' of wheel line

58 pieces 6" mainline with valves

30 pieces 3" handline

6 valve openers

1 Hay Barn 750 ton

1995/7 Fleetwood double wide manufactured home of approximately 2000 sq. ft., serial ORFLS 48AB21860BS13, license number X239457.

8. All well equipment and well rights, licenses and permits relating to the two existing water wells, particularly and including Registered Well No. L01129, Well Permit No. 46475, Well Klamath County Certificate of Water Right issued to Weststeyn permit G9360 including all equipment, tanks, pipes, motors, electrical equipment, branch electrical panels, wiring and supplies.

9. All crops, standing and cut and presently located on or within the above-described real property.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Amerititle the 24th day
of July A.D., 19 98 at 1:05 o'clock P. M., and duly recorded in Vol. M98
of Mortgages on Page 27226.

FEE \$50.00

By Kathleen Rosa Bernetha G. Letsch, County Clerk