

RECEIPT DATE IS REQUESTED BY

South Valley Bank & Trust
P.O. Box 5210
Klamath Falls, OR 97603

WHEN RECEIVED MAIL TO:

South Valley Bank & Trust
P.O. Box 5210
Klamath Falls, OR 97603

SEND FAX TO OFFICES TO:

Bill J Skillington & A Rae/Skillington
5749 Basin View Dr, Klamath Falls, OR 97603

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LINE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

ASSIGNMENT OF RENTS

THIS ASSIGNMENT OF RENTS is between Husband and Wife, whose addresses ("Grantor"); and South Valley Bank & Trust, whose address is P.O. Box 5210, Klamath Falls, OR 97603 (referred to below as "Lender").

ASSIGNMENT. For valuable consideration, Grantor assigns all of Grantor's Property located in Klamath County,

Lot 11 and the Southerly one-half of lot 10, H

CIRLAND FARMS, according to the official plat thereof on County, Oregon.

The Real Property or its address is:

DEFINITIONS. The following words shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Assignment. The word "Assignment" means an assignment and security interest provision.

Event of Default. The words "Event of Default" mean the "Events of Default."

Grantor. The word "Grantor" means Bill J Skillington and A Rae Skillington. The word "debts" means the debts of Grantor to Lender to discharge obligations of Grantor to Lender on which amounts as provided in this Assignment.

Lender. The word "Lender" means South Valley Bank & Trust, its successors and assigns.

The word "Note" means the promissory note or credit agreement dated October 31, 1987, in the original principal amount of \$71,826.83 from Grantor to Lender, to substitute for the promissory note or agreement.

Property. The word "Property" means the Real Property. The words "Real Property"

Related Documents. The words "Related agreements," "environmental agreements," or "documents" whether now or hereafter exist-

Rents. The word "Rents" means all rents, without limitation all rents from all leases of the Property, whether described or not described on any lease attached to this Assignment.

THIS ASSIGNMENT IS GIVEN TO SECURE THE PAYMENT OF GRANTOR UNDER THE NOTE, THIS AGREEMENT, AND THE RELATED DOCUMENTS. THIS ASSIGNMENT IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as secured by this Assignment as they become due, Grantor retains its right to collect the Rents as provided and control of and operate and manage the Property with Lender's consent to the use of cash.

GRANTOR'S REPRESENTATIONS AND WARRANTIES TO LENDER THAT:

Ownership. Grantor is entitled to receive and accept by Lender in writing.

Right to Assign. Grantor has the full right

No Prior Assignment. Grantor has not yet

No Further Transfer. Grantor will not sell this Agreement.

LENDER'S RIGHT TO COLLECT RENTS. Lender shall have the right at any time, and even though no default shall have occurred under this Assignment, to inspect and receive the Rents. If

Notice to Tenants. Lender may send his notice directly to Lender or Lender's agent.

Enter the Property. Lender may enter upon the Property, if necessary, for the purpose of possession or

Maintain the Property. Lender may enter upon the Property, and keep the same in repair, to pay the costs thereof and of

use this Assignment relating to the Rents.

any other expenses incurred by Lender in connection with the collection of the Rents.

Interest and attorney fees.

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condition, and also to pay all costs and expenses incurred by the Commissioner in the investigation and prosecution of the offense.

Lessor's Right to Possession. Lender may repossess the Property if Lender has given notice to Tenant and Tenant fails to pay Rent or other amounts due under the Lease within ten (10) days after receipt of such notice.

Employ Agents. Lender may employ such agent or agents as Lender may deem appropriate, either in Lender's name or in Grantor's name, to rent and manage the Property, including the collection and application of Rent.

Other Acts. Lender may do all such other things and acts with respect to the property as Lender may deem appropriate and may act exclusively and solely in the place and stead of Grantor and to have all the powers of Grantor for the purposes stated above.

RE BOUTINEMENTS ACT, I further state that I do not require Lender to do any other specific act or thing, or make of this foregoing acts or thing, I shall not require Lender to do any other specific act or thing.

APPLICATION OF RENTS. All costs and expenses incurred by Lender in connection with the Property shall be for Grantor's account and Lender may pay such costs and expenses from the Rents. Lender, in its sole discretion, shall determine the application of any and all Rents received by it; however, by such Rents received by Lender which are not applicable to such costs and expenses shall be applied to the indebtedness. All expenditures made by Lender under this Assignment and not reimbursed from the Rents shall become a part of the indebtedness secured by this Assignment, and shall be payable (in demand, with interest at the Note rate from date of expenditure until paid).

FULL PERFORMANCE. If Grantor pays all of the Indebtedness when due and otherwise performs all the obligations imposed upon Grantor under this Assignment, the Note, and the Related Documents, Lender will execute and deliver to Grantor a suitable satisfaction of this Assignment and suitable statements of termination of all financial statements on file evidencing Lender's security interest in the Rents and the Property. Any termination fee required by law shall be paid by Grantor, if committed by applicable law.

EXPENDITURES BY LENDER. If Grantor materially affects Lender's interests in the appropriate [REDACTED] amount that Lender expects to be due at date of repayment by [REDACTED] Net and be apportioned among and be policy or [(i)] the remaining term of the Assignment also will secure payment of remedies to which Lender may be entitled under Lender from any remedy that it may as to comply with any provision of this Assignment; or if any action or proceeding is commenced that would deprive Lender [in Grantor's behalf] may, but shall not be required to, take any action that Lender deems ends in such doing, will bear interest at the rate provided for in the Note from the date incurred or paid by [REDACTED]. All such expenses, at Lender's option, will (a) be payable on demand, (b) be added to the balance of the Note with any installment payments to become due during either (i) the term of any applicable insurance policies, or (c) be treated as a balloon payment which will be due and payable at the Note's maturity. This same amount [(i)] the right is provided for in this paragraph shall be in addition to any other rights or any amount of [REDACTED] default. Any such action by Lender shall not be construed as curing the default so as to a would have had.

DEFAULT: Each of the following is one of the options of `lambda` shall define a user event or default ("Event or Default") under this Assignment:

Default on Indebtedness. Failure of Creditor to make any payment when due in the Indebtedness, or to comply with any other term, condition, covenant or concurrence contained in this Assignment, the Note or any of the Related Documents.

Default In Favor of Third Parties. Should Borrower or any Creditor default under any loan, extension of credit, security agreement, purchase or sale agreement, or any other document, instrument, or agreement in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's or any Grantor's ability to repay the Loans or perform their respective obligations under this Assignment or any of the Related Documents,

Falsi Statements. Any warranty, representation or statement made or furnished to Lender by or on behalf of Grantor under this Assignment, the Note or the Related Documents is set forth misleadingly, only insofar as respect, of the time made or furnished.

comply with any term, obligation, covenant, or condition contained in any other agreement between Grantor and any other Person.

Death or Insolvency. The death of Grantor or the dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor, the insolvency of a receiver for all or part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the

For example, if a Debtor fails to pay his debts, he may be sued by his creditors or he may be forced to sell his assets to pay his debts.

For Lender, Foreclosure, etc., or any other method, by any creditor or in the event of a good faith dispute, by Lender as to the validity or reasonableness of the claim which is the basis of the foreclosure or foreclosure proceeding, provided that Lender gives written notice of such claim and furnishes reserves or a stay bond for the claim satisfactory to Lender.

Advances Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment of performance of the Indenture is impaired.

Right to Cure. If such a failure is cured within the preceding twelve (12) months, demanding cure of such failure: (a) if the failure is slight, sufficient to cure the failure and if it is after consultation and constitutes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practicable; and if Grantor has not been given a notice of a breach of the same provision of this Assignment within the preceding twelve (12) months, demanding cure of such failure within fifteen (15) days; (b) if the cure requires more than fifteen (15) days, immediate notice of the failure and failure to cure within ten (10) days.

RIGHTS AND REMEDIES ON DEFAULT
more of the following rights and remedies:

Accrued and Unpaid Rent. Lender shall have the right at its option, without notice to Grantor, to declare all or such indebtedness immediately due and payable, including any prepayment penalty which Grantor would be required to pay.

Collect Rents. Lender shall have the right, without notice to Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply them in proceeds, over and above Lender's costs, against the indebtedness. In furtherance of this right, Lender shall have all the rights provided for in the Lender's Right to Collect Section, above. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantee after the fact to enforce instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payment by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through counsel.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property prior to sale, and to collect the Rents from the Property and apply the proceeds, less and except the cost of the receiver's compensation, to the payment of the indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by substantially amount. Emphasis may be placed upon the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property prior to sale, and to collect the Rents from the Property and apply the proceeds, less and except the cost of the receiver's compensation, to the payment of the indebtedness. The receiver may serve without bond if permitted by law.

Waiver of Election of Remedies. A waiver by any party of a breach of a provision of this Assignment shall not constitute a waiver of or prejudice the parties' rights otherwise to demand strict compliance with that provision or any other provision. Elector by Lender to pursue any remedy shall not be deemed to be a waiver of any other remedy.

the party signs otherwise, Lender may commence any action or proceeding to collect any amount due under this Assignment, or to enforce any right or remedy available to Lender under this Assignment, without first giving notice to or demand upon Grantor to perform or pay such amount, or to make any other payment or to take any other action, or to give any other notice or demand, unless such notice, demand or action would interfere with Lender's right to sue for such amount or to exercise its remedies under this Assignment.

