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MTC 46914

ASSIGNMENT AND CONVEYANCE BY OWNER
OF VENDEE'S INTEREST IN LAND SALE CONTRACT FOR SECURITY

DATE: January 28, 1999

PARTIES: Luther H. Dearborn and Frances B. Dearborn ASSIGNORS

South Valley Bank & Trust, an Oregon Banking
Corporation

ASSIGNEE

R E C I T A L S:

A. Assignors are the owners of the Vendee's interest in a land sale contract dated January 12, 1994, between Ronald D. Smith and JoAnne K. Smith, as Sellers and Luther Hank Dearborn and Frances B. Dearborn, as Purchasers. The property, which is the subject of the contract, is described as follows:

Lots 7, 8 and 9 and the northeasterly 22 feet of Lot 6 in block 16 of INDUSTRIAL ADDITION TO THE CITY OF KLAMATH FALLS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

B. Assignors desire to assign and convey their interest in the Contract and the Property to Assignees for purpose of securing certain obligations owed to the Assignees as described below.

A G R E E M E N T:

1. Assignment and Conveyance. Assignors Luther H. Dearborn and Frances B. Dearborn hereby assign their interest in the Contract and convey their interest in the property to Assignees.

2. Covenants. Assignors covenant as follows:

2.1 They are the owners of the Vendee's interest in the Contract;

2.2 They are not in default under the terms of the Contract;

2.3 The Vendee's interest in the Contract is free of all liens and encumbrances; and

2.4 The unpaid balance of the purchase price due under the Contract is \$38,222.00.

3. Assignees' Assumption. Assignees South Valley

1. ASSIGNMENT

Bank & Trust hereby conditionally assume the obligations of the Vendee under the contract and agree to defend, indemnify and hold Assignors harmless therefrom only in the event the Assignees acquire title to the property by reason of default in the obligations of the Assignors to the Assignees, and exercise of the Assignees remedies.

4. Consideration. The consideration for this Assignment is the loan from Assignees to Assignors in the sum of \$37,178.00.

5. Default and Remedies. This Assignment shall be executed with a mortgage or deed of trust from Assignors to Assignees. The terms contained therein as to default and remedies shall constitute the agreement between the parties as to the rights and procedure upon default. The legal remedies of the Assignees shall be as if the Assignors held fee simple title.

6. Attorney Fees. In the event action is instituted to enforce any term of this Assignment and conveyance, the prevailing party shall recover from the losing party reasonable attorney fees incurred in such action as set by the trial court and, in the event of an appeal, as set by the appellate courts.

7. Land Use. THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

ASSIGNORS:

Luther D. Dearborn
Luther D. Dearborn

Frances B. Dearborn
Frances B. Dearborn
STATE OF OREGON)

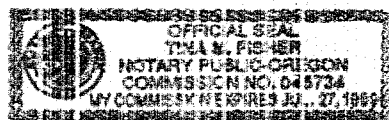
ASSIGNEES:

By: Jeffrey S. Bradford
South Valley Bank & Trust

ss.

County of Klamath

Personally appeared the above-named Jeffrey S Bradford, and acknowledged the foregoing instrument to be voluntary act and deed. Before me:



Tina M. Fisher
Notary Public for Oregon
My Commission expires: 7-27-99

2. ASSIGNMENT

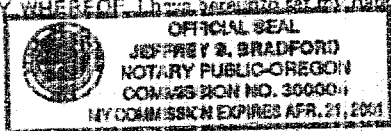
4674

STATE OF OREGON,)
COUNTY OF Klamath) SS.

BE IT REMEMBERED, That on this 28 day of JANUARY, 1999,
before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named
LUTHER H. DEARBORN AND FRANCES B. DEARBORN* * * * *

known to me to be the identical individual S 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



Jeffery A. Bradford
Notary Public for Oregon.
My Commission expires 4/21/01

N-65 11-83

STATE OF OREGON : COUNTY OF Klamath: SS.

Filed for record at request of Amerititle the 9th day
of February A.D. 1999 at 11:36 o'clock A. M., and duly recorded in Vol. M99
of Deeds on Page 4672

FEE

\$40.00

Linda Smith, County Clerk
by Kathleen Rose

