

K55234

ASSIGNMENT FOR COLLATERAL SECURITY
OF BENEFICIARY'S INTEREST IN TRUST DEED

2000 MAR 20 PM 2: 22

This assignment is made and entered into as of March 15, 2000, by and between Advanced Investment Corp., an Oregon corporation, Assignor, and LBLM Investments, LLC, an Oregon limited liability company, Assignee.

Recitals

A. Assignor is the owner, free of all encumbrances, of all Beneficiary's rights in that certain trust deed, disclosed in Volume M98 page 1170, Mortgage Records of Klamath County, Oregon, dated January 15, 1998, wherein George W. Prigmore III and Alicia M. Prigmore fka Alicia M. Bostick are Grantor, and Duane G. Halmrast and Janie V. Halmrast, husband and wife or the survivor, are Beneficiary, the subject matter of which is the real property described in Exhibit "A," attached hereto and by this reference made a part hereof. The same shall be called "Trust Deed One." Halmrasts subsequently absolutely assigned of record all of their right, title and interest in and to Trust Deed One to Advanced Investment Corp., an Oregon corporation;

B. The balance owing under Trust Deed One is \$125,000.00, with interest thereon accruing at the rate of fifteen percent per annum on all deferred balances from February 15, 2000;

It is mutually understood and agreed between the parties as follows:

1. Assignor warrants that:

A. All matters set forth in the recital paragraphs above are correct and true;

B. Assignor will pay, keep and perform all obligations of Assignor under Note One and pay the same according to its terms;

C. Assignor has no knowledge of any offsets, claims, counter-claims, or other defenses by or from the Obligor under Trust Deed One;

2. As and for collateral security of all monies payable to Assignee under Note One, Assignor does hereby assign, convey, transfer and set over unto Assignee, for security purposes all of its right, title and interest in and to Trust Deed One and create a lien in favor of Assignee in Assignor's interest in Trust Deed One and the real property described on Exhibit "A."

3. A default in any encumbrances superior in priority to this assignment disclosed in Exhibit "A" shall constitute a default hereunder. Assignee hereunder has the right to at its option advance funds or perform any other act necessary to remedy said default. Any funds so advanced shall be added to the balance due Assignee under this assignment and note at the option of Assignee. Also, this assignment is intended to secure all future loans or advances that may be made during the time this obligation is outstanding, up to an additional twenty percent of the original face amount stated herein and also any advances made in accordance with the covenants of this agreement to protect collateral. Any advances shall bear interest from the dates made at the rates set forth in the note described above.

In the event of a default as specified in paragraph No. 3 hereinabove, or in the further event that Assignor shall fail to perform its obligations under Note One within thirty days after written notice of default is given, Assignee shall be entitled to foreclose this assignment by suit in equity for strict foreclosure. The parties hereto agree that foreclosure of this assignment shall be governed by the rules governing strict foreclosure of land sale contracts rather than by the rules contained in ORS Chapter 86 governing mortgages and that the only equity of redemption of Assignor shall be that fixed by the Court in its final decree of strict foreclosure.

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4. Assignor and Assignee agree that in the event there is any prepayment under Trust Deed One, Assignee shall be entitled to receive any such prepayment as an accelerated payment under Note One.
5. In the event Assignor becomes the fee simple owner of the real property described in Exhibit "A," Assignor does hereby grant and convey unto Assignee a lien upon the real property described on Exhibit "A" and further acknowledges and agrees that the lien of this Assignment shall constitute a lien upon the real property described on Exhibit "A" effective as of the date of this Assignment.
6. When Note One is paid in full, Assignee shall execute and deliver to Assignor a satisfaction and reassignment of this assignment and the obligation secured thereby suitable for recording.
7. Should this note and/or assignment be placed in the hands of an attorney for collection, Assignor agrees and promises to pay holder's reasonable attorney fees and collection costs, even though no action is filed hereon. However, if a suit or action is filed, the holder shall be entitled to his reasonable attorney fees in trial and on appeal, including reasonable attorney fees to be incurred after judgment is obtained, on this note and/or assignment.
8. Assignor and Assignee agree that Assignor, at Assignor's expense, shall be responsible for enforcement of all rights and remedies of the Beneficiary under Trust Deed One.

In witness whereof, the undersigned has executed this assignment as of the date and year first hereinabove written.

Advanced Investment Corp.

Michaela Welt

By Michael A. Welt, President

State of Oregon

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County of Lane

Personally appeared the above-named Michael A. Welt, who is President of Advanced Investment Corp., and Oregon corporation, and acknowledged the foregoing instrument to be his voluntary act and deed.

Before me:

Notary Public For Oregon

My commission expires: October 1 2080

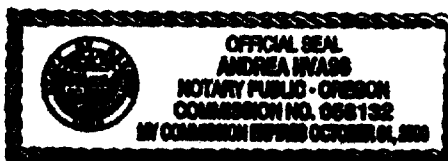


Exhibit "A"

DESCRIPTION OF PROPERTY

The following described real property situate in Klamath County, Oregon:

Parcel 1: A parcel of land located in the NE1/4 NE1/4 of Section 1, Township 24 South, Range 6 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at a point on the Section line common to Sections 1 and 6, said point bears S. $00^{\circ}05'12''$ W., 748.21 feet from the Northeast corner of said Section 1; thence N. $89^{\circ}04'11''$ W. 72.34 feet to a point; thence S. $16^{\circ}19'55''$ E. 255.91 feet to a point; thence N. $00^{\circ}05'12''$ E. 244.41 feet to the point of beginning, with bearing based on Survey #3065.

Parcel 2: That portion of Government Lot 14, Section 6, Township 24 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, lying Northeasterly of State Highway No. 58.

PROMISSORY NOTE

\$125,000.00

For value received, the undersigned jointly and severally promise to pay to the order of LBLM Investments, LLC, an Oregon Limited Liability Company, hereinafter Payee, the sum of one hundred twenty-five thousand and no/100 dollars (\$125,000.00) with interest thereon at the rate of fifteen percent (15%) per annum from March 15, 2000 until paid; interest shall be payable in monthly installments of one thousand five hundred sixty-two and 50/100 dollars (\$1,562.50) each; the first of such installments shall be paid on or before April 15, 2000, and thereafter on the 15th day of each and every month to and including June 15, 2000, at which time the entire principal balance together with accrued interest and other charges described herein shall be due and payable in full. All payments are payable to Payee at 321 Goodpasture Island Road, Eugene, Oregon 97401, or to such other person or entity as Payee may designate by written notice. THE UNDERSIGNED UNDERSTAND THAT THIS PROMISSORY NOTE IS DUE AND PAYABLE IN FULL JUNE 15, 2000. Provided, however, that if any interest in the real property securing this note is sold, transferred or conveyed, all principal and interest shall become immediately due and collectible at the option of the holder of this note. In the event that there is a default in the performance of this note or the trust deed/s and/or other security instrument/s securing performance under this note and Payee or its assignee provides written notice of said default to the undersigned at the undersigned's last known address, the undersigned agree to pay interest on this note at a rate five percent (5%) per annum higher than the interest rate described above. This increased interest rate shall begin on the date of the notice of default and shall continue until the first day of the next succeeding month after all of the events of default have been cured. In the event any payment or any portion of any payment, including payment of the entire balance when due, is made more than fifteen days after it is due, there shall be a late charge in the amount of five percent (5%) of the scheduled amount due. Any increased interest rate charge or late charge resulting from failure on the part of the undersigned to make payments when due, or other failure to perform as agreed, must be paid as part of curing any default under this note. The holder of this note will apply payments first to interest, then to any late charges, costs or expenses owing under this note, and last to the principal balance of this note. Interest shall be calculated on a 365-day calendar year basis. It is expressly agreed that the principal sum plus accrued interest and other charges provided herein shall become immediately due and collectible at the option of the holder on the happening of any default hereunder or any default in performance of the terms of the trust deed/s and/or other security instrument/s securing performance under this note; also that all of the terms, conditions, covenants and agreements contained in the said trust deed/s and/or other security instrument/s securing performance under this note are hereby made a part of this agreement. This loan is made for the business purposes of the undersigned. Should this note be placed in the hands of an attorney for collection, the undersigned agree and promise to pay holder's reasonable attorney fees and collection costs, even though no suit or other action is filed thereon; however, if a suit or action is filed, the holder shall be entitled to his reasonable attorney fees in trial and on appeal, including reasonable attorney fees to be incurred after judgment is obtained in collection of this note. Dated March 15, 2000.

Advanced Investment Corp. an Oregon corp.

Michael A. Welt, President

Martin S. Hall, Secretary

Michael A. Welt, Indiv.

Martin S. Hall, Indiv.

Return:

Advanced Investment Corp
321 Goodpasture Island Rd
Eugene, OR 97401

State of Oregon, County of Klamath
Recorded 3/20/00, at 2:22 p.m.
In Vol. M00 Page 9091
Linda Smith,
County Clerk Fee \$ 36⁰⁰