

1st-1654950

2011-001147

Klamath County, Oregon



00096143201100011470090096

01/31/2011 03:36:40 PM

Fee: \$77.00

RECORDING COVER SHEET

THIS COVER SHEET HAS BEEN PREPARED BY THE PERSON REPRESENTING THE ATTACHED INSTRUMENT FOR RECORDING. ANY ERRORS IN THIS COVER SHEET DO NOT AFFECT THE TRANSACTION(S) CONTAINED IN THE INSTRUMENT ITSELF.

After Recording Return To:

**Rogue Federal Credit Union
1370 Center Drive
Medford, OR 97501**

1. Name(s) of the Transaction(s):

Assignment of Leases and Rents

2. Direct Party (Grantor):

Summerfield Residential Community, LLC

3. Indirect Party (Beneficiary):

Rogue Federal Credit Union

4. True and Actual Consideration Paid:

N/A

5. Legal Description:

Lot 38, tract 1456 -- Summerfield Residential Community, according to the Official plat thereof on file in the office of the county clerk of Klamath County, Oregon

6. Deed Reference:

Recorded Line of Credit 2011-001137

f

1st 1654950

THIS INSTRUMENT PREPARED BY:
Rogue Federal Credit Union
1370 Center Drive
MEDFORD, OR 97501

AFTER RECORDING RETURN TO:
Rogue Federal Credit Union
1370 Center Drive
MEDFORD, OR 97501

(Space Above This Line For Recording Data)

ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT OF LEASES AND RENTS ("Assignment"), is given on **January 26, 2011** by **Summerfield Residential Community LLC**, an Oregon Limited Liability Company, whose address is **4975 Homedale Road, KLAMATH FALLS, Oregon 97603** ("Owner") to **Rogue Federal Credit Union** which is organized and existing under the laws of the state of United States of America, and whose address is **1370 Center Drive, MEDFORD, Oregon 97501** ("Lender"). The Lender is, or is about to become, the holder of the following Deed of Trust dated **January 26, 2011** in the amount of **One Hundred Twenty Thousand and 00/100 Dollars (\$120,000.00)** ("Deed of Trust") executed by Owner covering the following described property:

Address: **5445 Winterfield Way, KLAMATH FALLS, Oregon 97603**

Legal Description: **Lot 38, tract 1456-Summerfield Residential Community, according to the official plat thereof on file in the office of the county clerk of Klamath County, Oregon.**

Map & Tax Lot No.: R-3909-014AA-04700

Property ID No.: R894200

("Secured Property") which secures the following Note(s):

- Loan with a principal amount of **\$120,000.00**

and any other indebtedness of Owner to Lender, whether now or subsequently owing or to become due and no matter how created. The Secured Property has been demised by the Owner under a lease(s) which may be described as follows:

Any and all rental and/or lease agreements associated with the subject property and referred to throughout the loan documents.

Lender, as a condition of making the above loan(s), has required an assignment of the lease(s) and the rents, income and profits derived from the use of the Secured Property and every part thereof, as additional security for said loan(s).

In consideration of the recitals above and as additional security for the indebtedness above, Owner assigns, transfers, sets over to, and grants Lender a security interest in the lease(s) described herein and any guaranties, renewals or extensions thereof, together with any other lease(s), whether written or unwritten, entered into before or after this Assignment and demising any part of the Secured Property, and all rents, income and profits derived from the Secured Property and any portion thereof.

OWNER'S DUTIES; DEFAULT. With respect to any lease(s) entered into before or after this Assignment demising any part of the Secured Property, Owner represents to and agrees with Lender that as long as any indebtedness of Owner to Lender shall remain unpaid, Owner shall not, without the written consent of Lender: (a) cancel any lease(s); (b) accept a surrender of any lease(s); (c) modify or alter any lease(s) in any way, either orally or in writing; (d) reduce the rental set forth in any lease(s); (e) consent to any assignment of the lessee's interest in

any lease(s), or to any subletting thereunder; (f) collect or accept payment of rent, income or profit under any lease(s) for more than one (1) month in advance of the due date; (g) make any other assignment, pledge, encumbrance, or other disposition of any lease(s), or of the rents, income and profits derived from the use of the Secured Property; or, (h) fail to keep the Secured Property free and clear of all liens and encumbrances. Any of the above acts, if done without the written consent of Lender, shall be null and void and shall constitute a default under the aforesaid Note(s) and Deed of Trust and this Assignment.

OWNER'S WARRANTIES. Owner further covenants with and warrants to Lender that: (a) the said lease(s) are valid, presently in full force and effect and that there are no defaults now existing thereunder; and (b) Owner has not: (1) executed or granted any prior assignment, encumbrance, or security interest concerning any lease(s) or the rentals thereunder; (2) performed any acts or executed any other instruments or agreements which would limit and prevent Lender from obtaining the benefit of and exercising its rights conferred by this Assignment; (3) executed or granted any modification of any lease(s) either orally or in writing; and (c) the Secured Property and the rents, income and profit derived from the use of the Secured Property are free of liens, encumbrances, claims and setoffs.

REMEDIES. It is mutually agreed between Lender and Owner that until a default or breach shall occur in the performance of Owner's covenants hereunder, or any default shall occur under the Deed of Trust or any loan agreement between Owner and Lender pertaining to any indebtedness referred to herein, or any default shall occur in the making of any of the payments provided for in the above described Deed of Trust or Note, Owner may receive, collect and enjoy the rents, income and profits accruing from the Secured Property, but not more than one (1) month in advance of the due date. In the event of any such default or breach, Lender may, at its option, immediately thereafter receive and collect all rents, income and profits from the Secured Property as they come due under the lease(s) described herein and all renewals and extensions thereof, and under any other lease(s) heretofore or hereafter entered into demising any part of the Secured Property, and Lender shall thereafter continue to receive and collect all such rents, income and profits as long as such default or breach shall exist, and during the pendency of any foreclosure proceedings and throughout any applicable redemption period if there is a deficiency after foreclosure sale, and during all such periods. Lender may, but is not obligated to, apply some or all of the rents, income and profits to protect Lender's interest in the Property, including, but not limited to, payment of property taxes.

NOTICE. In the event of any such default or breach, Owner expressly authorizes Lender, at its option, to enter upon the Secured Property or any part thereof, by its officers, agents, or employees, for the collection of the rents, income and profits and for the operation and maintenance of the Secured Property. Owner authorizes Lender in general to perform all acts necessary for the operation and maintenance of the Secured Property in the same manner and to the same extent that the Owner might so act. After payment of all charges and expenses, including, without limitation, current and delinquent property taxes and customary operating expenses, the Lender shall credit the net amount of income received by virtue of Lender's exercise of this Assignment to any amounts due Lender under the terms and provisions of the aforesaid Note(s) and Deed of Trust, and in the event of any foreclosure sale, to any deficiency during any redemption period. The manner of the application of such net income and the item or items to which it shall be applied shall be within the sole discretion of the Lender, and Lender shall be accountable only for money actually received by it pursuant to this Assignment. Such entry and taking possession of the Secured Property or any part thereof by Lender, may be made by actual entry and possession or by written notice served personally upon or sent by certified mail to the last owner of the Secured Property appearing on the records of the Lender, as the Lender may elect, and no further authorization or notice shall be required.

WAIVER OF NOTICE. TO THE EXTENT PERMITTED BY LAW, OWNER WAIVES ANY RIGHT TO NOTICE, OTHER THAN THE NOTICE PROVIDED ABOVE, AND WAIVES ANY RIGHT TO ANY HEARING, JUDICIAL OR OTHERWISE, PRIOR TO THE LENDER EXERCISING ITS RIGHTS UNDER THIS ASSIGNMENT.

LENDER AS OWNER OF SECURED PROPERTY. It is mutually agreed that nothing contained in the Remedies and Additional Remedies above shall in any way diminish, restrict, or affect any rights of Lender under the lease(s) referred to herein if Lender should become the owner of the Secured Property after the expiration of any redemption period in connection with any foreclosure proceedings.

SUBSEQUENT LEASES. Owner agrees to promptly inform Lender of, and to promptly transfer, assign and deliver to the Lender, any subsequent lease(s) of the Secured Property or any part thereof, and to make, execute and deliver to the Lender, upon demand, any and all documents, agreements and instruments as may, in Lender's opinion, be necessary to protect the Lender's rights under this Assignment. Owner's failure to comply with the agreements herein made shall not impair Lender's rights hereunder with respect to any such subsequent lease(s), nor shall such failure in any way affect the applicability of this Assignment to such lease(s) and the rentals receivable thereunder.

PROTECTION OF LENDER'S RIGHTS AND INTERESTS; NO WAIVER; DEFAULT. Owner further agrees to perform and discharge each and every obligation, covenant, and agreement required to be performed by the Landlord under the lease(s) referred to herein, and should Owner fail to do so, the Lender, without obligation to do so and without releasing Owner from any such obligation, may make or do the same in such manner and to such extent as the Lender deems necessary to protect its rights and interests under this Assignment. Nothing in this Assignment shall be construed to require the Lender to perform any of the terms and provisions contained in the lease(s), or otherwise to impose any obligation or liability upon the Lender. Neither the performance nor the nonperformance by the Lender of Owner's obligations shall be deemed a waiver of any default by the Owner under the Deed of Trust, this Assignment or under the Note(s). Owner agrees to indemnify and hold harmless Lender from all liability, loss, or damage, which may be incurred under the lease(s) or by reason of this Assignment. If Lender incurs any expenses due to performing Owner's obligations under the lease(s) and Assignment, or incurs damages, attorney fees or costs due to claims or demands under the lease(s) and Assignment, such amounts shall be payable on demand by Owner to Lender. Any default by Owner in the performance of any of the obligations in this Assignment shall be a default under the terms of the said Deed of Trust, entitling Lender to exercise all rights and remedies provided by the Deed of Trust, this Assignment, and under the Note(s).

LESSEE PAYMENTS TO LENDER. Owner irrevocably consents and agrees that any lessee(s) under any of the lease(s) referred to herein shall, upon demand and notice from Lender of Owner's default under said Note(s), Deed of Trust, or this Assignment, pay all rents, income, and profits under said lease(s) to Lender, without any obligation upon any such lessee(s) to determine the actual existence of any default by Owner.

LENDER ASSIGNMENT OF LEASE. Owner agrees that Lender shall have the right to assign Owner's right, title and interest in the lease(s) referred to herein to any subsequent holder of the Deed of Trust or Note(s) and to assign the same to any person acquiring title to the Secured Property through foreclosure.

SCOPE OF ASSIGNMENT OF LEASE AND RENTS. This Assignment extends to and includes every lease or rental agreement, whether written or unwritten, now existing or hereafter entered into, demising any part of the Secured Property. Wherever used herein, the term "lease" or "leases" includes all such rental agreements. If no specific lease is described above, then this Assignment shall be a general assignment of all leases and rental agreements concerning the Secured Property.

LENDER'S RIGHTS AND REMEDIES. The rights and remedies of the Lender under this Assignment are cumulative, and are not in lieu of, but are in addition to all other rights and remedies which Lender has under the Note(s), Deed of Trust, Loan Agreement and any related documents.

SUCCESSORS AND ASSIGN. All covenants and agreements contained in this Assignment shall apply to and bind the grantees, heirs, personal representatives, successors, and assigns of the respective parties.

ENTIRE AGREEMENT; MODIFICATIONS; SEVERABILITY. This Assignment shall constitute the entire agreement between Lender and Owner. Any modification of this Assignment shall be binding only if placed in writing and signed by the Lender and Owner. The invalidity of any provision of this Assignment shall not affect the validity of any other provision.

PARAGRAPH HEADINGS. The titles to the paragraphs of this Assignment are solely for the convenience of the parties and shall not be used to interpret this Assignment.

GOVERNING LAW. This Assignment shall be interpreted, and the rights of the parties determined, under the laws of the State of Oregon.

ORAL AGREEMENTS DISCLAIMER. This Assignment represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

By signing this Assignment, Owner acknowledges reading, understanding, and agreeing to all its provisions.

Summerfield Residential Community LLC

By: Gibson Trust, Member

 1-28-11

John E Batzer

Date

Trustee for Gibson Trust

By: Homedale JV LLC, Member

 1-28-11

By: Randall D Simonson

Date

Its: Member

BUSINESS ACKNOWLEDGMENT

STATE OF OREGON)

COUNTY OF JACKSON) 28

This instrument was acknowledged on the 26th day of January, 2011, by

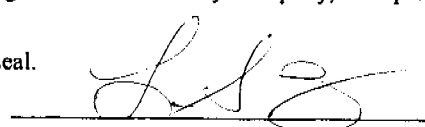
John E Batzer, Trustee of Gibson Trust, Randall D Simonson, Member of Homedale JV LLC, on behalf of Summerfield Residential Community LLC, an Oregon Limited Liability Company, who personally appeared before me.

In witness whereof, I hereunto set my hand and official seal.

My commission expires: 1/20/14



(Official Seal)


Lori A Billings
Jackson County, OR



First American

First American Title Insurance Company of Oregon
404 Main Street, Ste 1
Klamath Falls, OR 97601
Phn - (541)884-5155
Fax - (866)747-7595

Order No.: 7021-1654950
November 12, 2010

FOR QUESTIONS REGARDING YOUR CLOSING, PLEASE CONTACT:

TAMMY MCDANIEL, Escrow Officer/Closer
Phone: (541)884-5155 - Fax: (866)747-7595 - Email: tmcdaniel@firstam.com
First American Title Insurance Company of Oregon
404 Main Street, Ste 1, Klamath Falls, OR 97601

FOR ALL QUESTIONS REGARDING THIS PRELIMINARY REPORT, PLEASE CONTACT:

Deborah Bergener, Title Officer
Toll Free: (541)884-5155 - Direct: - Email: dbergener@firstam.com

First American Title Insurance Company of Oregon
404 Main Street, Ste 1
Klamath Falls, OR 97601

Order No.: 7021-1654950
November 12, 2010

Attn: Tammy McDaniel, Escrow Officer
Phone No.: (541)884-5155 - Fax No.: (866)747-7595
Email: tmcdaniel@firstam.com

Work comp

Preliminary Title Report

2006 ALTA Owners Standard Coverage	Liability \$	120,000.00	Premium \$	500.00
2006 ALTA Owners Extended Coverage	Liability \$		Premium \$	
2006 ALTA Lenders Standard Coverage	Liability \$		Premium \$	
2006 ALTA Lenders Extended Coverage	Liability \$	120,000.00	Premium \$	250.00
Endorsement 9, 22 & 8.1			Premium \$	100.00
Govt Service Charge			Cost \$	15.00
Other			Cost \$	

no owners

mt endorsement \$50.00

We are prepared to issue Title Insurance Policy or Policies in the form and amount shown above, insuring title to the following described land:

LOT 38, TRACT 1456-SUMMERFIELD RESIDENTIAL COMMUNITY, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

and as of October 13, 2010 at 8:00 a.m., title to the fee simple estate is vested in:

Summerfield Residential Community, LLC

Subject to the exceptions, exclusions, and stipulations which are ordinarily part of such Policy form and the following:

This report is for the exclusive use of the parties herein shown and is preliminary to the issuance of a title insurance policy and shall become void unless a policy is issued, and the full premium paid.

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Easements, or claims or easement, not shown by the public records; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or other facts which a correct survey would disclose.
5. Any lien, or right to a lien, for services, labor, material, equipment rental or workers compensation heretofore or hereafter furnished, imposed by law and not shown by the public records.

The exceptions to coverage 1-5 inclusive as set forth above will remain on any subsequently issued Standard Coverage Title Insurance Policy.

In order to remove these exceptions to coverage in the issuance of an Extended Coverage Policy the following items are required to be furnished to the Company; additional exceptions to coverage may be added upon review of such information:

- A. Survey or alternative acceptable to the company
- B. Affidavit regarding possession
- C. Proof that there is no new construction or remodeling of any improvement located on the premises. In the event of new construction or remodeling the following is required:
 - i. Satisfactory evidence that no construction liens will be filed; or
 - ii. Adequate security to protect against actual or potential construction liens;
 - iii. Payment of additional premiums as required by the Industry Rate Filing approved by the Insurance Division of the State of Oregon

X

Taxes for the year 2008-2009

Tax Amount	\$	276.68
Unpaid Balance:	\$	276.68, plus interest and penalties, if any
Code No.:		062
Map & Tax Lot No.:		R-3909-014AA-04700
Property ID No.:		R894200

Taxes for the year 2009-2010

Unpaid Balance:	\$	290.53, plus interest
-----------------	----	-----------------------

Taxes for the year 2010-2011

Unpaid Balance:	\$	296.11, plus interest
-----------------	----	-----------------------

7. City liens, if any, of the City of Klamath Falls.
Note: **NO SEARCH HAS BEEN MADE.** If inquiry is desired, please contact your Title Officer for a lien search.
8. Liens and assessments of Klamath Project and Klamath Irrigation District, and regulations, contracts, easements, water and irrigation rights in connection therewith.
9. Restrictions shown on the recorded plat/partition of Summerfield Residential Community.
10. Regulations and Assessments of Summerfield Homeowner's Association.
11. Easement on the recorded plat/partition. For Utility, Sidewalk, Gas Line, Fence Maintenance, Waterline and Sanitary Sewer
12. City of Klamath Falls Restrictive Covenant Waiver of Remonstrance Agreement, including terms and provisions thereof.
Recorded: May 8, 2007 in 2007-8277, records of Klamath County, Oregon
13. Covenants, conditions, restrictions and/or easements; but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, family status, or national origin to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes:
Recording Information: June 4, 2007 in 2007-9905, records of Klamath County, Oregon
14. The By-Laws, including the terms and provisions thereof of Summerfield Residential Community, LLC.
Recorded: June 4, 2007 in Volume 2007 page 9906, records of Klamath County, Oregon
15. Line of Credit Trust Deed, including the terms and provisions thereof, given to secure an indebtedness of up to \$700,000.00
Grantor: Summerfield Residential Community LLC
Beneficiary: Rogue Federal Credit Union
Trustee: AmeriTitle
Dated: May 15, 2008
Recorded: May 16,, 2008
Recording Information: 2008-7264, records of Klamath County, Oregon

Partial Release

- END OF EXCEPTIONS -

NOTE: We find no judgments against the vestee herein, unless shown as a numbered exception above.

NOTE: We find no matters of public record against Jeffrey Gonzales and Christina Gonzales that will take priority over any trust deed, mortgage or other security instrument given to purchase the subject real property as established by ORS 18.165.

NOTE: According to the public record, the following deed(s) affecting the property herein described have been recorded within 24 months of the effective date of this report: NONE

Situs Address as disclosed on Klamath County Tax Roll:

5445 Winterfield Way, Klamath Falls, OR 97603

THANK YOU FOR CHOOSING FIRST AMERICAN TITLE!
WE KNOW YOU HAVE A CHOICE!

cc: Jeffrey Gonzales and Christina Gonzales

cc: Summerfield Residential Community

cc: Rogue Federal Credit Union

1370 Center DR, Medford, OR 97501-7941