

101051

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SECURITY AGREEMENT COVERING CONTRACT RIGHTS AND PROCEEDS

April 21, 1986

(Date)

Lloyd G. Kelley and Margaret A. Kelley

(Name)

(No. and Street)

(City)

(County)

(State)

(hereinafter called "Debtor") hereby grants to Panhandle State Bank (hereinafter called "Secured Party") its successors and assigns, a security interest in all contract rights and the proceeds thereof which Debtor has or may at any time hereafter acquire under or pursuant to the terms of that certain contract (and any amendments or supplements thereto) entered into by and between Debtor and (hereinafter called "Obligor"), described as follows:

Contract Number

Dated August 31, 1977

by the terms of which the Debtor has agreed to

Real Estate Sales Contract with Lloyd G. Kelley and Margaret A. Kelley as sellers and Richard A. Hamilton and Roberta L. Dupont as buyers, subsequently sold to Robert A. Sourek, Jr.

SEE ATTACHED EXHIBIT 1 for legal description.

and Obligor has agreed to pay Debtor the sum of \$10,251.08 as of 4-15-86 (which said contract, Debtor's rights thereof are hereinafter called "Collateral").

2. The security interest granted hereby is to secure payment and performance of the liabilities and obligations of Debtor to Secured Party of every kind and description, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising (all hereinafter called "obligations").

3. DEBTOR HEREBY WARRANTS AND COVENANTS:

3.01 PAYMENTS MADE—ASSIGNMENTS. That no payments have been made on account of said contract except as follows: Initial balance of contract dated 8-31-77 paid down to \$10,251.08 as of 4-15-86.

and that Debtor has not heretofore and will not hereafter alienate, assign nor grant any security interest in said contract or the proceeds thereof, or any right or interest therein or therein.

3.02 USE. Check here ☐ if contract right arises from or relates to sale of farm products by a farmer. If so, Debtor resides in the county set forth above, unless some other county is indicated here:

County, Idaho

3.03 PLACE OF BUSINESS. Debtor warrants that the address of the Debtor recited in this agreement above is and will remain the Debtor's chief place of business and the place at which it keeps its records concerning the contract and proceeds thereof, constituting the security under this agreement, unless Secured Party consents in writing to a change.

3.04 PERFECTION OF SECURITY INTEREST. The Debtor agrees to execute and file financing statements and do whatever may be necessary under applicable law to perfect and continue the Secured Party's interest in the Collateral, all at Debtor's expense.

3.05 TAXES AND ASSESSMENTS. Debtor will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this agreement or upon any note or notes evidencing the obligations.

3.06 PERFORMANCE.

Debtor agrees that it will fully and punctually perform all duties required of it by the above contract and will not take any action which will impair, damage or destroy Secured Party's Collateral position, and that it will not alter or amend said contract without the written consent of Secured Party.

3.07 INVOICES, EARNED ESTIMATES AND STATEMENTS—NOTICES.

Debtor agrees to deliver copies of earned estimates, statements, billings and any other records concerning said contract in the form and at the times required by Secured Party. At the request of Secured Party, Debtor will give or cause to be given any notice desired by Secured Party to the Obligor.

4. APPOINTMENT AS AGENT.

The undersigned Debtor does hereby designate and appoint Secured Party its true and lawful attorney or attorneys, with power irrevocable, for it and in its name, place and stead to ask, demand, receive, receipt

THE TERMS AND CONDITIONS APPEARING ON THE BACK HEREOF ARE PART OF THIS SECURITY AGREEMENT

Signed and delivered to Secured Party on the day and year first above written.

Registered

Indexed, Dir

Indirect

Filmed

Mailed

Lloyd G. Kelley

Margaret A. Kelley

Margaret A. Kelley

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and give acquittance for any and all amounts which may be or become due or payable by the Obligor under said contract or any amendments or supplements thereto, and in its discretion to file any claim or to take any other action or proceeding, or either, in its own name, or in the name of the undersigned or otherwise, which to said Secured Party may seem necessary or desirable in order to collect or enforce payment of any and all amounts which may become due or owing on account of said contract or any amendments or supplements thereto. The acceptance of this assignment by Secured Party shall not obligate it to perform any duty, covenant or obligation required to be performed by Debtor under and by virtue of said contract or any amendments or supplements thereto.

5. SECURED PARTY'S RIGHT TO PAY TAXES, ETC.; DEBTOR'S RIGHT TO POSSESSION. The Secured Party is not required to, but may, at its option discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, pay any filing or recording fees, or any other charges payable by Debtor and any amount so paid, with interest thereon at the maximum rate permitted by law from date of payment until repaid shall be secured hereby and shall be repayable by Debtor on demand. The rights granted by this paragraph are not a waiver of any other rights of Secured Party arising from breach of any of the covenants hereof by Debtor.

6. DEFAULT. Time is of the essence of this Security Agreement and Debtor shall be in default under this agreement upon the happening of any of the following events or conditions:

6.01 default in the payment or performance of any obligation, covenant or liability contained or referred to herein or in any note evidencing the same;

6.02 any warranty, representation or statement made or furnished to Secured Party by or on behalf of Debtor proves to have been false in any material respect when made or furnished;

6.03 any event which results in the acceleration of the maturity of the indebtedness of Debtor to others under any indenture, agreement or undertaking;

6.04 the Collateral assigned hereunder or proceeds thereof, for any reason whatsoever, becomes uncollectible in part or in its entirety;

6.05 death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor or any guarantor or surety for Debtor, or entry of any judgment against them, or failure of any guarantor or surety for Debtor to provide Secured party with financial information promptly when requested by Secured Party.

6.06 The Secured Party deems itself insecure.

7. REMEDIES. Upon the occurrence of any default hereunder and at any time thereafter, the Secured Party may, without notice or demand, declare immediately due and payable all amounts secured hereby and shall have the remedies of a Secured Party under the Idaho Uniform Commercial Code or other applicable law, and, without limiting the generality of the foregoing.

7.01 To make notification as provided by this agreement and pursue collection or, at Secured Party's option, to sell all or part of said Collateral and make application of all proceeds or sums due on said Collateral as provided for in this agreement.

7.02 Debtor agrees to pay, if this Security Agreement or any obligation secured by it is referred to an attorney for collection or realization, a reasonable attorney's fee (including those incurred in either a trial court or appellate court or without suit), expenses of title search, all court costs and all other legal expenses, and sums so obligated are secured hereby.

7.03 Debtor agrees that a period of five (5) days from the time the notice is sent shall be a reasonable period of notification of a sale or other disposition of Collateral by or for Secured Party. Any notice or other communication from the Secured Party to the Debtor under or pursuant to this agreement or required by any statute shall be addressed to the mailing address of Debtor as herein stated.

7.04 Debtor agrees to pay any deficiency remaining after collection of or realization by the Secured Party on the Collateral assigned by this agreement.

7.05 Secured Party shall have the right immediately and without further action by it, to set off against the obligations of Debtor all money owed by Secured Party in any capacity to Debtor, whether or not due, and Secured Party shall be deemed to have exercised such right of set off and to have made a charge against any such money immediately upon occurrence of such default even though such charge is made or entered on the books of Secured Party subsequent thereto.

8. GENERAL. This agreement constitutes the entire agreement between the parties and may not be altered or amended except by a writing signed by the Debtor, accepted by Secured Party and attached hereto. Any provision found to be invalid shall not invalidate the remainder hereof. Waiver of any default shall not constitute a waiver of any subsequent default. All Secured Party's rights and remedies, whether evidenced hereby or by any other writing shall be cumulative and may be exercised singularly or concurrently. Any demand upon or notice to Debtor that Secured Party may give shall be effective when addressed and mailed to Debtor's address of which Secured Party customarily communicates with Debtor. This agreement and all rights and liabilities hereunder and in and to any and all obligations secured hereby, and in and to all Collateral described above, shall inure to the benefit of the Secured Party and its successors and assigns, and shall be binding upon the Debtor and its successors and assigns. Whenever there is no outstanding obligation and no commitment on the part of Secured Party under any agreement which might give rise to an obligation, Debtor may terminate this agreement upon written notice to Secured Party. Prior to such termination, this shall be a continuing agreement in every respect. This instrument is to be governed by the laws of the State of Idaho. If this instrument is signed by more than one Debtor, the obligations of Debtor shall be joint and several. All words used herein shall be construed to be of such gender and number as the circumstances require and all references to Debtor shall include all other persons primarily or secondarily liable hereunder. This agreement is intended to take effect when signed by Debtor and delivered to Secured Party. This agreement shall be binding upon the heirs, personal representatives, successors and assigns of the Debtor and shall inure to the benefit of the Secured Party, its successors and assigns.

_____, Obligor upon the contract described above, hereby

acknowledges notice of this assignment and agrees to make any and all payments pursuant thereto to _____

DATED this _____ day of _____, 19____

Owners of the contract, Lloyd G. Kelley and Margaret A. Kelley, agree to make proceeds of the contract available to Panhandle State Bank at their request and instruct the escrow holder to honor this request.

Lloyd G. Kelley

Margaret A. Kelley

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EXHIBIT 1

Legal Description

Lloyd G. Kelley and Margaret A. Kelley, seller, Richard
W. Hamilton and Roberta L. Dupont, purchasers:

PARCEL "A":

East half of the Southwest Quarter of the Southwest Quarter
of Section 5, Township 3 North, Range 8 East of the Willamette
Meridian;

PARCEL "B":

The North Half of the North Half of the Northwest Quarter
of the Northwest Quarter of Section 8, Township 3 North, Range
8 East of the Willamette Meridian;

EXCEPT the North 148 feet of the West Half of the Northwest
Quarter of the Northwest Quarter of Section 8, Township 3
North, Range 8 East of the Willamette Meridian.

CARY M. OLSON

AUDITOR

MAY 1 11 30 AM '86

FILED FOR RECORD
SKAMAHIA CO. WASH
BY *Skamania Co. Title Co.*