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CONDITIONAL ASSIGNMENT OF RENTALS

THIS AGREEMENT, entered into this 11th day of May 1966, between Allen G. Evans and Alice O. Evans, formerly Alice O. Hood, husband and wife, hereinafter referred to as Owners, and FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION of Klamath Falls, a Federal Corporation hereinafter referred to as Mortgagee,

WITNESSETH:

WHEREAS, Owners are the present owners in fee simple of property described as:

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

Commencing at the Southwesterly corner of Lot 2 of Block 15 in the Town of Linkville, (now City of Klamath Falls, Oregon); thence Northwesterly along the line between Lots 2 and 3 of said Block 15, 105 feet; thence Northeasterly and parallel with Main Street, 45 feet; thence Southeasterly and parallel with Seventh Street, 105 feet to the Northerly line of Main Street; thence Southwesterly along the Northerly line of Main Street, 45 feet to the place of beginning, being a part of Lot 2 of Block 15 in the Town of Linkville (now City of Klamath Falls, Oregon), according to the official plat thereof on file in the records of Klamath County, Oregon.

and the mortgagee is owner and holder of a first mortgage covering said premises, which said mortgage is in the original principal sum of \$32,400.00, made by owners to mortgagee under date of May 11, 1966.

WHEREAS, Mortgagee, as a condition to making said loan and accepting said mortgage has required the execution of this assignment of the rentals of the mortgaged premises by owners,

NOW, THEREFORE, in order further to secure the payment of the indebtedness of the owners to mortgagee and in consideration of the accepting of the aforesaid mortgage and the note secured thereby, and in further consideration of the sum of One Dollar, paid by mortgagee to owners, receipt of which is hereby acknowledged, the said owners do hereby sell, assign, transfer and set over unto mortgagee all of the rents, issues and profits of the aforesaid mortgaged premises, this assignment to become operative upon any default being made by the owners (mortgagors) under the terms of the aforesaid mortgage or the note secured thereby, and to remain in full force and effect so long as any default continues to exist in the matter of the making of any of the payments or the performance of any of the covenants set forth in the aforesaid mortgage or the note secured thereby.

1. In furtherance of the foregoing assignment, the owners hereby authorize the mortgagee, its employees or agents at its option, after the occurrence of a default as aforesaid to enter upon the mortgaged premises and to collect, in the name of the owners or in their own name as assignee, the rents accrued but unpaid and in arrears at the date of such default, as well as the rents thereafter accruing and becoming payable during the period of the continuance

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of the said or any other default; and to this end, the owners further agree it will facilitate in all reasonable ways the mortgagee's collection of said rents, and will upon request by mortgagee execute a written notice to the tenant directing the tenant to pay rent to the said mortgagee.

2. The owners also hereby authorize the mortgagee upon such entry, at its option to take over and assume the management, operation and maintenance of the said mortgaged premises and to perform all acts necessary and proper and to expend such sums out of the income of mortgaged premises as may be needful in connection therewith, in the same manner and to the same extent as the owners theretofore might do, including the right to effect new leases, to cancel or surrender existing leases, to alter or amend the terms of existing leases, to renew existing leases, to make concessions to tenants, the owners hereby releasing all claims against mortgagee arising out of such management, operation and maintenance, excepting the liability of the mortgagee to account as hereinafter set forth.

3. The mortgagee shall, after payment of all proper charges and expenses, including reasonable compensation to such Managing Agent as it shall select and employ, and after the accumulation of a reserve to meet taxes, assessments, water rents and fire and liability insurance in requisite amounts, credit the net amount of income received by it from the mortgaged premises by virtue of this assignment, to any amounts due and owing to it by the owners under the terms of the mortgage and the note secured thereby, but the manner of the application of such net income and what items shall be credited, shall be determined in the sole discretion of the mortgagee. The mortgagee shall not be accountable for more moneys than it actually receives from the mortgaged premises; nor shall it be liable for failure to collect rents. The mortgagee shall make reasonable effort to collect rents, reserving, however, within its own discretion, the right to determine the method of collection and the extent to which enforcement of collection of delinquent rents shall be prosecuted.

4. In the event, however, that the owner shall reinstate the mortgage loan completely in good standing, having complied with all the terms, covenants and conditions of the said mortgage and the note secured thereby, then the mortgagee within one month after demand in writing shall re-deliver possession of the mortgaged premises to owners who shall remain in possession unless and until another default occurs, at which time the mortgagee may, at its option,

again take possession of the mortgaged premises under authority of this instrument.

5. The owners hereby covenant and warrant to the mortgagee that neither it, nor any previous owner, have executed any prior assignment or pledge of the rentals of the mortgaged premises, nor any prior assignment or pledge of its landlords' interest in any lease of the whole or any part of the mortgaged premises. The owners also hereby covenant and agree not to collect the rents of the said mortgaged premises in advance, other than as required to be paid in advance by the terms of any rental agreement, and further agree not to do any other act which would destroy or impair the benefits to the mortgagee of this assignment.

6. It is not the intention of the parties hereto that an entry by the mortgagee upon the mortgaged premises under the terms of this instrument shall constitute the said mortgagee a "mortgagee in possession" in contemplation of law, except at the option of the mortgagee.

7. This assignment shall remain in full force and effect as long as the mortgage debt to the mortgagee remains unpaid in whole or in part.

8. The provisions of this instrument shall be binding upon the owners, their successors or assigns, and upon the mortgagee and its successors or assigns. The word "Owners" shall be construed to mean anyone or more persons or parties who are holders of the legal title or equity of redemption to or in the aforesaid mortgaged premises. The word "note" shall be construed to mean the instrument, whether note or bond, given to evidence the indebtedness held by the mortgagee against the mortgaged premises; and the word "mortgage" shall be construed to mean the instrument securing the said indebtedness owned and held by the mortgagee, whether such instrument be mortgage, loan deed, trust deed, vendors' lien or otherwise.

It is understood and agreed that a full and complete release of the aforesaid mortgage shall operate as a full and complete release of all the mortgagee's rights and interest hereunder and that after said mortgage has been fully released this instrument shall be void and of no further effect.

IN WITNESS WHEREOF, The parties have caused this Agreement to be executed the day and year first herein written.

FIRST FEDERAL SAVINGS & LOAN ASSOCIATION
Of Klamath Falls, Oregon:

By: [Signature]
its President

By: [Signature]
its Secretary

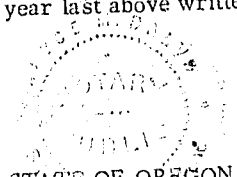
[Signature] (SEAL)

[Signature] (SEAL)
Owners

STATE OF OREGON)
) ss.
COUNTY OF KLAMATH)

BE IT REMEMBERED THAT on this 11 day of May, 1966, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Allen G. Evans and Alice O. Evans, formerly Alice O. Hood, husband and wife, who are known to me to be the identical persons 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 official seal the day and year last above written.



Alyce M. Klatte
Notary Public for Oregon
My commission Expires: 11-18-66

STATE OF OREGON)
) ss.
COUNTY OF KLAMATH)

On this 11 day of May, 1966, before me appeared Van S. Mollison and James D. Bocchi, both to me personally known, who being duly sworn, did say that he, the said Van S. Mollison is the President and he, the said James D. Bocchi is the Secretary of First Federal Savings and Loan Association of Klamath Falls, the within named Corporation, and that the seal affixed to said instrument is the corporate seal of said Corporation and that the said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors and Van S. Mollison and James D. Bocchi acknowledged said instrument to be the free act and deed of said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.



Alyce M. Klatte
Notary Public for Oregon
My commission expires 11-18-66

STATE OF OREGON; COUNTY OF KLAMATH; ss.
Filed for record at request of KLAMATH COUNTY TITLE CO.
this 16 day of May, A.D. 1966, at 3:08 o'clock P.M., and
duly recorded in Vol. 466, of Page 5221
DONALD H. ROGERS, County Clerk
By [Signature]

Fee 6⁰⁰ - pl

Return to
Frank B. Lammert & Son
540 Main
Klamath Falls, Oregon