

formance of any of the covenants set forth in the afore-  
secured thereby.

Under the foregoing assignment, the owner hereby authorizes  
its or agents, at its option, after the occurrence of a de-  
fault upon the mortgaged premises and to collect, in the name  
of its or 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 accrued but un-  
paid 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 of the said or  
any other default; and to this end, the owners further agree they will facilitate  
in all reasonable ways the mortgagee's collection of said rents and will upon request  
of the mortgagee, execute a written notice to the tenant directing the tenant to pay rent  
to the said mortgagee.

2. The owner also hereby authorizes 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 the mortgaged premises as may be needful in connection there-  
with, in the same manner and to the same extent as the owner theretofore might do, in-  
cluding 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 con-  
cessions to tenants, the owner hereby releasing all claims against mortgagee arising  
out of such management, operation and maintenance excepting the liability of the mort-  
gagee to account as hereinafter set forth.

3. The mortgagee shall, after payment of all proper charges and expenses, in-  
cluding 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 amount  
owed by it by the owners under the terms of the mortgage and the note secured  
thereby, and the manner of the application of such net income and what items shall be  
deducted therefrom shall be determined in the sole discretion of the mortgagee. The mortgagee  
shall not be liable for more moneys than it actually received 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 owner, 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 owner hereby covenants and warrants 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 owner also hereby covenants and agrees 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 agrees 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 the 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 owner, its successors or assigns, and upon the mortgagee and its successors or assigns. The word "Owner" shall be construed to mean any one 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, vendor's lien or otherwise.

31



6733

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 interests hereunder, and that after said mortgage has been fully released this instrument shall be void and of no further effect.

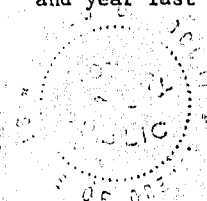
Dated at Klamath Falls, Oregon, this 5 day of August, 1970.

Leonard E. McLaughlin H. Dean Mason  
(SEAL)  
Darlene E. McLaughlin Joan C. Mason  
(SEAL)

STATE OF OREGON )  
COUNTY OF KLAMATH ) ss.

THIS CERTIFIES, that on this 5 day of August, 1970, before me, the undersigned, a Notary Public for said state, personally appeared the within named H. Dean Mason and Joan C. Mason, husband and wife, and to me known 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 for the purpose therein expressed.

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



James D. Bacchi  
Notary Public for the State of Oregon  
My commission expires: 10-25-70

STATE OF OREGON, }  
County of Klamath } ss.

Filed for record at request of:

KLAMATH COUNTY TITLE CO

on this 6th day of AUGUST, A. D., 1970

at 3:53 o'clock P.M. and duly

recorded in Vol. M 70 of DEEDS

Page 6730

32 WM. D. MILNE, County Clerk

By Hazel Drayton  
Deputy.  
Fee \$6.00

Return  
First Federal Savings & Loan  
540 Main  
Klamath Falls, Oregon  
97601

Assignment of Rentals - Page 4