

31843

CONDITIONAL ASSIGNMENT OF RENTALS

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THIS ASSIGNMENT, entered into this 29th day of June, 1977, by and between Royce G. Shaffer and Velta L. Shaffer, Husband and Wife; Lyle W. Shaffer and Shirley L. Shaffer, Husband and Wife; George M. Shaffer, Jr., and Jahala L. Shaffer, Husband and Wife, hereinafter referred to as owner, and FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF Klamath County, a Federal Corporation, hereinafter referred to as mortgagee.

WITNESSETH:

WHEREAS, owner is the present owner in fee simple of property located at:

Lot Three (3), Block two (2), of Washburn Park, Tract No. 1080, according to the official plat thereof, on file in the office of the County Clerks of Klamath County, Oregon.

in Klamath County, State of 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 75,000.00, made by owner to mortgagee under the date of June 29, 1977; and

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 mortgage premises by owner.

NOW, THEREFORE, in order further to secure the payment of the indebtedness of the owner 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 owner, receipt of which is hereby acknowledged, the said owner does hereby sell, assign, transfer or set over unto mortgagee all of the rents, issues and profits of the aforesaid mortgage premises, this assignment to become operative upon any default being made by the owner (mortgagor) 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 notes secured thereby.

1. In furtherance of the foregoing assignment, the owner hereby authorizes 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 owner, 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 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 of the said or any other default, and to this end, the owners further agree they will facilitate

and shall while says the mortgagee's collection of said rents and will
 as mortgagee, execute a written notice to the tenant directing
 the same to be paid 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 therewith, in the same manner
 and to the same extent as the owner 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 owner hereby releasing all claims against
 mortgagee arising out of such management, operation and maintenance except
 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 required
 amounts, credit the net amount of income received by it from the mortgaged
 premises to the credit of this assignment, to any amounts due and owing to it
 by the owner under the terms of the mortgage and the note secured thereby.
 The application of such net income and what shall
 be credited, shall be determined to the sole discretion of the mortgagee.
 The mortgagee shall not be accountable for more moneys than it actually
 receives from the mortgaged premises and shall it be liable for failure
 to collect rents. The mortgagee shall make reasonable effort to collect
 rents, assessments, however, within the discretion, the right to determine
 the extent of collection and the extent to which enforcement of collection
 of delinquent rents shall be necessary.

4. The owner, however, that the owner shall reinstate the mortgage
 loan completely in good standing, having complied with all the terms, cove-
 nants 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 posses-
 sion 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 con-
 templation 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

The word "owner" shall be construed to mean any one or more persons who are holders of the legal title or equity or redemption 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 indebtedness owned and held by the mortgagee, whether such instrument be a mortgage, loan deed, trust deed, vendor's 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 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 29th day of JUNE, 1977.

Lyle W. Shaffer
Shirley L. Shaffer
George M. Shaffer Jr.
Jahala L. Shaffer

(SEAL)

(SEAL)

NOTARY PUBLIC, OREGON)
 COUNTY OF KLAMATH) ss.

THIS CERTIFIES, that on this 29 day of JUNE, 1977, before me, the undersigned, a Notary Public for said state, personally appeared the within named ROYCE G. SHAFFER AND VELTA L. SHAFFER, Husband and Wife; Lyle W. Shaffer and SHIRLEY L. SHAFFER, Husband and Wife; GEORGE M. SHAFFER, JR. AND JAHALA L. SHAFFER, Husband and Wife.

and were 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 hereto set my hand and official seal day and year last above written.

[Signature]
 Notary Public for the State of Oregon

My commission expires: 4/24/81

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ELIMATED 1/1/81

1/1/81

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Handwritten signature