

KNOW ALL MEN BY THESE PRESENTS, that Z CONSTRUCTION, a joint venture

Assignor, in consideration of Ten Dollars (\$10.00) and in consideration of the making of the real estate loan set forth hereinafter, and other good and valuable considerations paid by UNITED STATES NATIONAL BANK OF OREGON, a national banking association, Assignee, hereby assigns unto the assignee all rents, income, profits, royalties, bonuses, and/or benefits arising from the following described land, to-wit:

see attached legal description - Exhibit A

TO HAVE AND TO HOLD the same unto the assignee, and to the successors and assigns of the assignee forever.

THE AFORESAID is to be held by the assignee as collateral security for the payment of the principal and interest provided to be paid in that certain mortgage given by Z CONSTRUCTION, a joint venture of DAVID L. TERHUNE, MELVIN L. STEWART, ROBERT T. MICK AND MAURICE E. BERCOT, to UNITED STATES NATIONAL BANK OF OREGON, a national banking association, in the sum of TWO MILLION ONE HUNDRED THOUSAND AND NO/100 ----- DOLLARS (\$2,100,000.00 --) and to further secure the payment of all taxes and assessments due and to become due upon the mortgaged property under mortgage dated February 27, 1980, 19__, covering the premises herein described, and the acceptance of this assignment and the payments hereby assigned shall be without prejudice to and shall not constitute a waiver of any rights of the assignee under the terms of said mortgage. And it is expressly understood and agreed by the parties hereto that said assignor reserves and is entitled to collect and retain the rentals unless and until default occurs in the performance of the said mortgage.

IT IS FURTHER UNDERSTOOD that this assignment shall not operate to place responsibility for the control, care, management or repair of said premises upon the assignee, nor shall it operate to make the assignee responsible or liable for any waste committed on the property by the tenants or any other party, or for any damaged or defective condition of the premises, or for any negligence in the management, upkeep, repair, or control of said premises resulting in loss or injury or death to any tenant, licensee, employee or stranger, or any other person or party.

IN THE EVENT of any such default, the assignee is hereby constituted attorney in fact for the assignor and empowered to collect the rents, income, profits, royalties, bonuses, and/or benefits hereby assigned, and apply the same, and further, the assignee shall have the right to enter upon said premises and let the same, or any part thereof, and collect the rents, income, profits, royalties, bonuses and/or benefits therefrom which are due or to become due and apply the same after payment of all charges and expenses on account of said indebtedness.

THE ASSIGNEE shall have the sole and uncontrolled election whether or not it will exercise the powers hereby granted, and no failure to exercise the same shall constitute a waiver of any future rights thereof, to exercise the same at any time; nor shall the assignee be liable to collect any rents, or make any repairs, or disbursements for maintenance or management.

IT IS FURTHER UNDERSTOOD that no security deposited by the tenant with the assignor under the terms of the tenancy has been transferred to the assignee, and that the assignee assumes no liability for any security so deposited.

IT IS FURTHER UNDERSTOOD that the singular shall include the plural and the plural shall include the singular as used herein and this agreement shall be binding upon the successors, heirs, assigns and personal representatives of the parties hereto, and all rights hereunder shall in proper case inure to the benefit of the assignee and may be enforced by its or their agents.

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IN WITNESS WHEREOF, said assignor signed this instrument and hereto set hand and seal this 3rd. day of March, 1980.

Z CONSTRUCTION, a joint venture

David L. Terhune
DAVID L. TERHUNE

Melvin L. Stewart
MELVIN L. STEWART

Robert T. Mick
ROBERT T. MICK

Maurice E. Bercot
MAURICE E. BERCOT

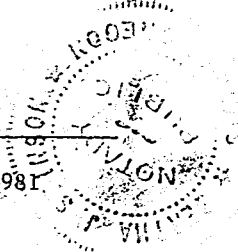
STATE OF OREGON)
)ss.
County of Klamath)

THIS CERTIFIES that on this 3rd. day of March, 1980, personally appeared before me, the undersigned, a Notary Public in and for said County and State, the within named David L. Terhune, Melvin L. Stewart, Robert T. Mick and Maurice E. Bercot

known to me to be the persons named in and who executed the foregoing instrument and who are known to me to be member^s of the partnership of Z CONSTRUCTION, a joint venture acknowledged to me that they executed said instrument freely and voluntarily for the purposes and use therein mentioned, on behalf of said partnership.

IN TESTIMONY WHEREOF, I have hereunto set my hand and notarial seal the day and year last above written.
Before me:

Beth J. Thurn
Notary Public for Oregon
My Commission Expires: 2-28-1981



DESCRIPTION

4142

PARCEL 1

Lots 9, 10, 11 and 12, Block 59, BUENA VISTA ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.

Lots 16 and 17, Block 9, PLEASANT VIEW TRACTS, in the County of Klamath, State of Oregon, EXCEPTING THEREFROM the Westerly 5 feet of said Lot 17 for road.

PARCEL 2

Lot 17, Block 13, HOT SPRINGS ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon,

The Westerly 150 feet of Lot 8, Block 102, BUENA VISTA ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon, EXCEPT THEREFROM the Northwesterly 5 feet of said Lot 8.

Lot 5, Block 102, BUENA VISTA ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.

Lots 1, 2, 3, 10 and 11, Block 4, FIRST ADDITION TO CHILOQUIN, in the County of Klamath, State of Oregon, TOGETHER WITH the E½ of the vacated alley adjacent to said Lot 10, vacated by Ordinance #237 recorded October 28, 1963 in Book 349 at page 26, Deed Records.

Lot 12, Block 4, FIRST ADDITION TO CHILOQUIN, in the County of Klamath, State of Oregon.

Lots 2, 3 and 20, Block 1, Tract No. 1031, SHADOW HILLS SUBDIVISION - I, in the County of Klamath, State of Oregon.

PARCEL 3

A parcel of land, situated in Tract 31, ENTERPRISE TRACTS, in the County of Klamath, State of Oregon, being more particularly described as follows:

Beginning at a ½" rebar marking the Northwest corner of Block 1, Sunnyland Subdivision, said point also being on the Easterly right of way line of Avalon Street; thence North 00° 15' 30" West 237.85 feet, along the Easterly right of way line of Avalon Street, to a ½" rebar; thence South 56° 38' 10" East 99.79 feet to a ½" rebar; thence South 73° 31' 10" East 47.66 feet to a ½" rebar; thence North 70° 29' 20" East 52° 00" East 108.29 feet to a ½" rebar; thence North 70° 29' 20" East 50.00 feet to a ½" rebar; thence South 89° 24' 00" East 54.07 feet to a ½" rebar; thence South 00° 11' 48" East 183.24 feet to a ½" rebar; thence South 89° 45' 30" West 20.00 feet to a ½" rebar; thence South 00° 11' 48" East 20.00 feet to a ½" rebar on the Northerly boundary of Sunnyland Subdivision; thence South 89° 45' 30" West 316.48 feet, along the Northerly boundary of Sunnyland Subdivision to the place of beginning.

PARCEL 4

Lots 1 and 1A in TOWNSEND TRACTS, in the County of Klamath, State of Oregon.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 4th day of March A.D., 19 80 at 4:25 o'clock P. M., and duly recorded in Vol. M30 of Mortgages on Page 4140.

FEE \$10.50

WM. D. MILNE, County Clerk

By Bernetha S. Heloch Deputy