

ASSIGNMENT OF RENTS AND
APPOINTMENT OF RECEIVER1. PARTIES:

1.1 BH TRUST, herein referred to as "Lender".

1.2 CHARLES J. BURNS and JUDITH M. BURNS, husband and wife herein referred to as "Borrower".

2. RECITALS:

2.1 Borrower has executed a Promissory Note, and real property and personal property security documents in favor of Lender, dated November 12, 1985, to secure an indebtedness in the amount of ONE HUNDRED EIGHTY THOUSAND AND NO/100 DOLLARS (\$180,000.00).

2.2 In order to better secure the payment of said Promissory Note and the performance of all of the terms, covenants and conditions of the Promissory Note, and the real and personal property security documents executed by Borrower, the parties agree as follows:

3. ASSIGNMENT:

3.1 Borrower does hereby transfer to Lender all of the rents, revenue, issues and profits now due and hereafter to become due from the real property described on Schedule "A" attached hereto and incorporated herein by reference, and all leases and rental agreements affecting said premises.

3.2 Lender is hereby given and granted full power and authority as follows:

3.2.1 To enter upon and take possession of the premises; to demand, collect and receive all of the rents and revenues which may now be due and unpaid and which may hereafter become due; to institute and carry on all legal proceedings necessary for the protection of the premises, including such proceedings as may be necessary to recover possession of the whole or any part of the premises; to institute and prosecute any and all suits for the collection of rents and other revenue from the premises which may now be due and unpaid and which may hereafter become due; to institute and prosecute summary proceedings for the removal of any person from the premises; to pay the costs and expenses of all such suits and proceedings out of the rents and other revenues receive;

3.2.2 To maintain the premises and keep the same in repair; to pay, out of the rents and other revenues received, the costs thereof and of all services of all employees, including their equipment, and of all of the running expenses and expenses of maintaining and keeping the premises in repair and in proper condition, and all interest on the principal sum of the Promissory Note and the real property and personal property security documents above-mentioned, now due and unpaid and hereafter to become due, and also all taxes, assessments and water rates now due and unpaid

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and which may hereafter become due as a charge or lien upon the premises, and the premiums on policies of fire insurance now or hereafter effected security for the amount secured by the Deed of Trust;

3.2.3 To execute and comply with all the laws of the State of Oregon, and also all laws, rules, orders, ordinances and requirements of all departments and bureaus effecting the premises and to pay the costs thereof out of the rents and other revenues received;

3.2.4 To rent or lease the whole or any part of the premises;

3.2.5 To employ an agent or agents to rent and manage the premises and to collect the rents and other revenues thereof, to pay the reasonable value of its or their services out of the rents and revenues received.

3.3 Borrower authorizes and empowers Lender to effect general liability insurance, boiler insurance, plate glass insurance, rent insurance and workmen's compensation law insurance (in addition to the fire insurance above mentioned) and generally such other insurance as is customarily effected by an owner of the real property of a style and kind of the premises described above or as Lender may deem advisable or necessary to effect, to pay the premiums and charges therefor out of the rents and other revenues received.

3.4 Lender, in its sole discretion, shall, from time to time, determine which one or more of the purposes aforesaid the rents and revenues shall be applied and the amount to be applied thereto.

3.5 Nothing contained in this instrument shall prejudice or be construed to prejudice the right of Lender to commence and prosecute, or prevent Lender from commencing and prosecuting any action which it may deem advisable, or which it may be entitled to commence and prosecute for the foreclosure or liquidation of the Trust Deed executed by Borrower in favor of Lender, or to prejudice any other rights of Lender; nor shall this instrument be construed to waive any defaults now existing or which may occur under the Trust Deed or Promissory Note executed by Borrower in favor of Lender; nor shall this instrument be construed as granting a forbearance or extension of time of payment.

3.6 This Assignment of Rents shall be held as additional and further security for the payment of the principal amount of the Promissory Note and Trust Deed executed by Borrower in favor of Lender, and for the performance of all of the terms, covenants and conditions of the Trust Deed and Promissory Note executed by Borrower in favor of Lender, it being understood, however, that Lender shall not apply or enforce this Assignment of Rents so long as Borrower shall fully and properly pay the items required to be paid by the Promissory Note and Trust Deed and provided further that Borrower shall fully and faithfully perform all of the terms, covenants and conditions of the Promissory Note and Trust Deed; and it being further understood that immediately upon default in the performance of any of the terms, covenants and conditions of the Promissory Note and Trust Deed or immediately upon the failure of

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Borrower to make any of the payments required by the Promissory Note and Trust Deed, and upon the occurrence of any default whatsoever, Lender may immediately apply and enforce this Assignment of Rents and exercise the rights and remedies hereunder, without previous or prior notice; and thereupon this Assignment of Rents shall be and continue in full force and effect. Any failure or omission to enforce this Assignment for any period of time shall not impair the force and effect thereof or prejudice the rights of Lender, nor shall Lender be required under this Agreement to exercise or enforce any of the rights herein granted, all the matters herein contained being strictly discretionary with Lender.

3.7 In the event of the filing of any complaint or other proceedings wherein it is alleged that a default has occurred under the terms of the Promissory Note and Trust Deed, Lender may apply for and shall be entitled, as a matter of right, without consideration of the value of the premises or the solvency of any person or persons bound, to the appointment of a receiver to take possession of the premises and/or to collect the rents, issues and profits therefrom, with full power to lease the premises, or any part thereof, and with such other powers as may be necessary; and Borrower waives notice of the appointment of any such receiver.

3.8 Borrower, without the prior written consent of Lender, further covenants and agrees:

3.8.1 Not to receive or collect any rents from any present or future tenant of the real property described on Schedule "A" or any part thereof for a period of more than one (1) month in advance of the date in which such payment is due (whether in cash or by Promissory Note), nor pledge, transfer, mortgage or otherwise encumber or assign future payments of rent;

3.8.2 Not to waive, excuse, condone, discount, set off, compromise, or in any manner release or discharge any tenant under any leases of the premises, or of and from any obligations, covenants, conditions and agreements by any tenant to be kept, observed and performed, including the obligation to pay the rents thereunder in the manner and at the place and time specified therein;

3.8.3 Not to cancel, terminate or consent to any surrender of any of the leases, nor permit any of the aforementioned, nor commence any action of ejectment or any summary proceedings for dispossession of any tenant under any of the leases, nor exercise any right of re-capture provided in any leases, nor modify, or in any way alter the terms thereof;

3.8.4 Not to lease any part of the premises for a term in excess of five (5) years, nor renew or extend the term of any leases of the premises unless an option therefore was originally so reserved by tenants in the leases for a fixed and definite rental.

3.9 Borrower shall defend, indemnify and hold harmless Lender from any and all liability, loss, damage or expense which Lender may incur under or by reason or in defense of any and all claims and demands whatsoever which may be asserted against Lender arising out of any lease, including, but not limited to, any claims by any tenants of

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credit for rental for any period under any leases more than one (1) month in advance of the due date thereof paid to and received by Borrower, but not to delivered to Lender. Should Lender incur any such liability, loss, damage or expense, the amount thereof (including reasonable attorney's fees) with interest thereof at the maximum rate permitted by law shall be payable by Borrower immediately without demand, and shall be secured by a lien hereby and by the above described Trust Deed.

3.10 Until the indebtedness secured hereby shall have been paid in full, Borrower shall deliver to Lender executed copies of any and all renewals of existing leases and all future leases upon all or any part of the real property described on schedule "A", and will transfer and assign such leases upon the same terms and conditions as herein contained. Borrower hereby covenants and agrees to make, execute and deliver to Lender upon demand and at any time any and all assignments and other records and instruments, including, but not limited to, rent rolls and books of accounts sufficient for the purpose that Lender may deem to be advisable for carrying out the purposes and intent of this Assignment.

3.11 This Assignment is binding upon and shall inure to the benefit of the parties, their heirs, assigns and successors in interest.

DATED this 12th day of November, 1985.

Charles J. Burns
CHARLES J. BURNS
Judith M. Burns
JUDITH M. BURNS

STATE OF OHIO)
) ss.
County of _____)

On this day personally appeared CHARLES J. BURNS and JUDITH M. BURNS, husband and wife, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged they they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 12th day of November, 1985.

Jean E. French
NOTARY PUBLIC IN and for the State of
OHIO, residing at 2812 Wren Glade, Ch
My Commission Expires: JEAN E. FRENCH
Notary Public, State of Ohio
My Commission Expires May 9, 1988

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WILLIAM BLAIR, INC., Debtor
BH TRUST, Secured Party

SCHEDULE "A"

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PARCEL I

Lots 1, 2, 3, 4, 5, and 6 in Block 25 of ORIGINAL TOWN OF KLAMATH FALLS, (formerly Linkville), Oregon, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon. Also that part of vacated Maple Alley adjoining Lot 6 in Block 25 of said Original Town of Klamath Falls (formerly Linkville), Oregon, and all that portion of Lot 1 of Block 26, said Original Town of Klamath Falls, (formerly Linkville), lying Easterly of Conger Avenue. EXCEPTING from the above described property that portion thereof conveyed by Edward A. Dunham, et ux, to the City of Klamath Falls, Oregon, by deed recorded on page 107 of Volume 123 of Deeds, Records of Klamath County, Oregon.

Lot 7 in Block 25 of Original Town of Linkville (now Klamath Falls), and that portion of vacated Maple Alley adjacent to said Lot 7 on the West and that portion of Lot 4, Block 26, Original Town of Linkville (now Klamath Falls) lying between said portion of vacated Maple Alley and the Easterly line of Conger Street, according to the duly recorded plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

SAVING AND EXCEPTING from the above described property all that portion thereof conveyed to the State of Oregon by Deed recorded on page 193 of Volume 283 of Deeds, Records of Klamath County, Oregon,

ALSO all that portion of South one-half of vacated Pine Street adjoining the above described property.

PARCEL II

Lots 8 and 9 in Block 25 of the Original Town of Linkville (now Klamath Falls, Oregon), according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.
EXCEPTING that part in Deed Book 283, page 193.

SCHEDULE "B"

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1. All buildings, structures, improvements, fixtures and articles of property now or hereafter attached to, or used or adopted for use in the operation of, the real estate (herein the "premises") described in Schedule "A", attached to the financing statement or security agreement with respect to which this Schedule "B" is attached, including but without being limited to, all heating and incinerating apparatus and equipment whatsoever, all boilers, engines, motors, dynamos, generating equipment, piping and plumbing fixtures, ranges, cooking apparatus and mechanical kitchen equipment, refrigerators, cooling, ventilating, sprinkling and vacuum cleaning systems, fire extinguishing apparatus, gas and electric fixtures, carpeting, underpadding, elevators, escalators, partitions, mantels, built-in mirrors, window shades, blinds, screens, storm sash, awnings, furnishings of public spaces, halls and lobbies, and shrubbery and plants; and including also all interest of any owner of the premises in any of such items hereafter at any time acquired under conditional sale contract, chattel mortgage or other title retaining or security instrument, all of which property mentioned in this paragraph 1 shall be deemed part of the realty and not severable wholly or in part without material injury to the free hold;
2. All compensation, awards, damages, rights of action and proceeds, including the proceeds of any policies of insurance therefor, arising out of or relating to a taking or damaging of the premises by reason of any public or private improvement, condemnation proceeding (including change of grade), or fire, earthquake or other casualty;
3. Return premiums or other payments upon any insurance at any time provided for the benefit of the secured party, and refunds or rebates of taxes or assessments on the premises;
4. The right, title and interest of the debtor in and under all leases or rental agreements now or hereafter affecting the premises including, without limitation, all rents, issues and profits therefrom;
5. All furniture, furnishings, fixtures, appliances, machinery, inventory contracts and contract rights, leases, vehicles, accounts, equipment, general intangibles and rents, and

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245-0000

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all other personal property of every kind and description now located or to be located in or upon the improvements now on or hereafter constructed on the premises and with any and all additions, accessions, replacements, substitutions, proceeds and products thereto, thereof or thereafter and together with all rights of debtor as lessee of any furniture or equipment used on the premises;

6. All proceeds and products of the foregoing.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____
of November A.D. 19 85 at 3:21 o'clock P M., and duly recorded in Vol. M85 day
of Moregages on Page 18678

FEE \$29.00

Evelyn Biehn

County Clerk

By

[Signature]

Ret, mTC

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