

KNOW ALL MEN BY THESE PRESENTS, that WESTERN BANK, an Oregon corporation, (hereinafter referred to as the "Assignee") agreed to make a loan to Joseph Michael Hohman and Edward R. Zarosinski, Trustee for the Zarosinski Employees Trust (hereinafter referred to as the "Assignors") which loan is evidenced by Assignor's note dated _____ in the principal amount of Twenty Four Thousand Seven Hundred Ninety Four and 54/100* * (\$ 24,794.54) Dollars and interest payable in equal monthly installments of Six Hundred Forty and 94/100* * * * * * (\$ 640.94) Dollars each, payable on the 10th day of each month, commencing with September 10, 19 87, secured by a Trust Deed or Mortgage dated August 11, 19 87.

WHEREAS the said Assignors agree, in consideration of the making of the aforesaid loan, to assign as additional collateral security the rent and income from the hereinafter described property:

NOW, THEREFORE, in consideration of the loan hereinabove described and other valuable consideration,

Joseph Michael Hohman and Edward R. Zarosinski, Trustee for the Zarosinski Employees Trust

do hereby assign to the said Assignee, or its assigns, all rents and revenues from the following described property:

PARCEL 1:

All that portion of the NE 1/4 of the NE 1/4 of Section 32, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon more particularly described as follows:

Beginning at the point of intersection of the Northeasterly line of Ninth Street with the Northwesterly line of Main Street in the City of Klamath Falls; and running thence, Northeasterly along the Northwesterly line of Main Street, 68.97 feet, more or less, to the Southwesterly line of Tenth Street; thence Northwesterly along the Southwesterly line of Tenth Street, 114.0 feet; thence Southwesterly, parallel with Main Street 96.39 feet, more or less, to the Northeasterly line of Ninth Street; thence Southeasterly along Ninth Street, 117.23 feet, more or less to the point of beginning. and the Assignors hereby expressly authorize and empower the said Assignee, its agents or attorneys, at its election, without notice to the Assignor (or their successors in interest) as agent for the Assignor to take and maintain full control of said property and the improvements thereon; to oust tenants for non-payment of rent; to lease all of said property or any portion thereof in the name of the Assignors on such terms as it may deem best; to make alterations or repairs it may deem advisable and deduct the cost thereof from the rents; to receive all rents and income therefrom and issue receipts therefor and out of the amount or amounts so received to pay the necessary operating expenses and to retain the usual charges for thus managing said property; and to apply on the aforesaid mortgage any amount due upon the debt secured thereby; to pay taxes, assessments and premiums on insurance policies, or renewals thereof, on said property, or amounts necessary to carry out any covenant in the said mortgage contained; the Assignee herein to determine which items are to be met first; and to pay any overplus so collected to the owners of said property; and those exercising this authority shall be liable to the owners only for the amount collected hereunder and the accounting thereof and as to all other persons those exercising this authority are acting only as agent of the owners in the protection of mortgagee's interest. In no event is the right to such management and collection of rents to affect or restrict the right of the mortgagee to foreclose the aforesaid mortgage according to its terms.

It is understood that failure to collect rents for any given month or other period does not constitute a waiver by Assignee if said Assignee desires to collect rents pursuant to this assignment for any other month or period.

Whenever used, the singular shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

Dated this 11th day of August, 19 87

Joseph Michael Hohman
Joseph Michael Hohman

Edward R. Zarosinski
Edward R. Zarosinski

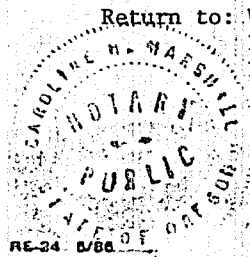
STATE OF OREGON)
COUNTY OF KLAMATH) ss.

August 11, A.D., 19 87.

Personally appeared the above named Joseph Michael Hohman and Edward R. Zarosinski and acknowledged the foregoing instrument to be their voluntary act and deed. Before me:

Return to: Western Bank
P.O. Box 669
Klamath Falls, OR 97601

Caroline H. Marshall
Notary Public for Oregon
My Commission Expires 2-9-90



STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Company the 12th day of August, A.D., 19 87 at 1:17 o'clock P. M., and duly recorded in Vol. M87 of Mortgages on Page 14491.

Evelyn Biehn, County Clerk
By [Signature]

FEE \$5.00