

ASSIGNMENT OF RENTS - ADDITIONAL COLLATERAL SECURITY

KNOW ALL MEN BY THESE PRESENTS, that WESTERN BANK, an Oregon corporation, (hereinafter referred to as the "Assignee") agreed to make a loan to DENNIS S. AVERY & SARITA G. AVERY, formerly known as Sarita B. Green, (hereinafter referred to as the "Assignors") which loan is evidenced by Assignor's note dated August 9, 1988 in the principal amount of TWO HUNDRED SIXTEEN THOUSAND EIGHT HUNDRED SEVENTY-FOUR AND NO/100ths (\$ 216,874.00--) Dollars and interest payable in equal monthly installments of TWO THOUSAND FOUR HUNDRED NINETY-NINE AND 14/100ths (\$2499.14-----) Dollars each, payable on the 1st day of each month, commencing with October 1, 1988, secured by a Trust Deed or Mortgage dated August 9, 1988.

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,

DENNIS S. AVERY and SARITA G. AVERY

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

See Attached Exhibit A

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.

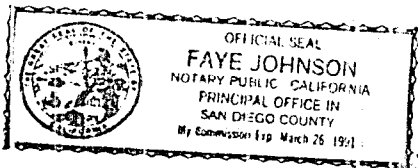
Whenever used, the singular shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

Dated this 9 day of August, 1988

STATE OF CALIFORNIA
COUNTY OF SAN DIEGO) SS.

August 9 A.D., 1988

Personally appeared the above named DENNIS S. AVERY AND SARITA G. AVERY and acknowledged the foregoing instrument to be their voluntary act and deed. Before me:



Notary Public for SAN DIEGO COUNTY
My Commission Expires 3-26-91

EXHIBIT A - Avery, Dennis S. and Sarita G.
Property Description

DESCRIPTION OF PROPERTY

The following described real property situated in Klamath County, Oregon:
 A tract of land situated in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 2, Township 39 South, Range 9
 East of the Willamette Meridian:

PARCEL 1: Beginning at a point on the North right of way line of that
 portion of the Klamath Falls-Lakeview Highway known as South Sixth Street,
 which is North 0°35' West 40 feet from the Southwest corner of the SE $\frac{1}{4}$ NW $\frac{1}{4}$;
 thence North 88°57' East along the North right of way line of said Highway 35
 feet, and the true point of beginning; thence continuing North 88°57' East
 along said Highway 100 feet; thence North parallel to the West line of the
 SE $\frac{1}{4}$ NW $\frac{1}{4}$, 111.2 feet to the Southeast corner of Deed recorded May 28, 1965, in
 Volume 362 page 101, Deed records of Klamath County, Oregon; thence South
 88°57' West 100 feet; thence South parallel to the West line of the SE $\frac{1}{4}$ NW $\frac{1}{4}$
 111.2 feet to the point of beginning.

PARCEL 2: Beginning at a point which is North 0°35' West 30.0 feet, and
 North 88°57' East, 135.0 feet, and North 0°35' West 111.22 feet from the
 Southwest corner of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 2, Township 39 South, Range 9 East of
 the Willamette Meridian; thence continuing North 0°35' West, a distance of 50.0
 feet; thence South 88°57' West a distance of 100 feet; thence South 0°35' East
 a distance of 50.0 feet; thence North 88°57' East a distance of 100.0 feet,
 more or less, to the point of beginning, being a portion of the W $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ of
 Section 2, Township 39 South, Range 9 East of the Willamette Meridian.

PARCEL 3: Beginning at a point North 0°35' West 191.2 feet from the
 Southwest corner of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 2, Township 39 South, Range 9 East of
 the Willamette Meridian, and thence continuing North 0°35' West a distance of
 100 feet; thence North 88°57' East a distance of 135 feet; thence South 0°35'
 East 100 feet; thence South 88°57' West a distance of 135 feet to the point of
 beginning, being a portion of said SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 2, Township 39 South,
 Range 9 East of the Willamette Meridian.

Return to: Western Bank
 421 S 7th Street
 Klamath Falls, Or 97601

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co.
 of Aug. A.D. 1988 at 10:05 o'clock AM., and duly recorded in Vol. M88
 of Mortgages on Page 12993.

FEE \$13.00

Evelyn Biehn County Clerk

By Rauline Muckelbauer