

97350

MTL-20948K

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## DEED OF TRUST

FEBRUARY 17

THIS DEED OF TRUST ("Security Instrument") is made on .....  
 1989 The grantor is MONTI'S CONSTRUCTION INCORPORATED, an Oregon Corporation.....  
 ..... ("Borrower"). The trustee is MOUNTAIN TITLE COMPANY.....

..... ("Trustee"). The beneficiary is  
LIBERTY SAVINGS AND LOAN ASSOCIATION..... which is organized and existing  
OREGON..... and whose address is 899 PEARL STREET,  
EUGENE, OREGON 97401..... ("Lender").

Borrower owes Lender the principal sum of TWO HUNDRED TEN THOUSAND AND NO/100THS.....  
 ..... Dollars (U.S. \$210,000.00.....). This debt is evidenced by Borrower's note  
 dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not  
 paid earlier, due and payable on MARCH 1, 1999..... This Security Instrument  
 secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and  
 modifications; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this  
 Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and  
 the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following  
 described property located in KLAMATH..... County, Oregon:

## PARCEL 1:

Lots 7, 8, 9 and 10, Block 63, LAKEVIEW ADDITION to the City of Klamath Falls,  
 according to the official plat thereof on file in the office of the County  
 Clerk of Klamath County, Oregon.

## PARCEL 2:

Lot 11, Block 63, LAKEVIEW ADDITION to the City of Klamath Falls, according to  
 the official plat thereof on file in the office of the County Clerk of Klamath  
 County, Oregon.

which has the address of 2105, 2125, 2139 BIEHN STREET..... KLAMATH FALLS.....  
 ..... (Street) ..... (City)  
 Oregon 97601..... ("Property Address")  
 ..... (Zip Code)

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights,  
 appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or  
 hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the  
 foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant  
 and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants  
 and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with  
 limited variations by jurisdiction to constitute a uniform security instrument covering real property.

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UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

**1. Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

**2. Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") equal to one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items.

The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the escrow items. Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing that interest shall be paid on the Funds. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Security Instrument.

If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as required by Lender.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 19 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Security Instrument.

**3. Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to late charges due under the Note; second, to prepayment charges due under the Note; third, to amounts payable under paragraph 2; fourth, to interest due; and last, to principal due.

**4. Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

**5. Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 10 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 10-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

**6. Preservation and Maintenance of Property; Leaseholds.** Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

**7. Protection of Lender's Rights in the Property; Mortgage Insurance.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

**8. Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

**9. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 10 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

**10. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

**11. Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

**12. Loan Charges.** If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

**13. Legislation Affecting Lender's Rights.** If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies permitted by paragraph 19. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 17.

**14. Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

**15. Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

**16. Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument.

**17. Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 10 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

**18. Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note had no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

19. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraphs 13 and 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 10 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold and shall cause such notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall give notice of sale in the manner prescribed by applicable law to Borrower and to other persons prescribed by applicable law. After the time required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument.

21. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs.

22. Substitute Trustee. Lender may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

23. Use of Property. The Property is not currently used for agricultural, timber or grazing purposes.

24. Attorneys' Fees. As used in this Security Instrument and in the Note, "attorneys' fees" shall include any attorneys' fees awarded by an appellate court.

25. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

- ☐ Adjustable Rate Rider      ☐ Condominium Rider      ☐ 2-4 Family Rider
- ☐ Graduated Payment Rider      ☐ Planned Unit Development Rider

☒ Other(s) [specify]  
 ASSIGNMENT OF RENTS  
 ASSIGNMENT OF LESSOR'S INTEREST IN LEASE

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

MONTI'S CONSTRUCTION INCORPORATED, an Oregon Corporation

By: Martin I. Monti, President (Seal) —Borrower

By: James J. Monti, Secretary (Seal) —Borrower

[Space Below This Line For Acknowledgment]

STATE OF OREGON,

County of Klamath } ss. On this 17th day of February, 19 89,  
 before me appeared MARTIN I. MONTI and JAMES J. MONTI and

duly sworn, did say that he, the said MARTIN I. MONTI both to me personally known, who being  
 is the President, and he, the said JAMES J. MONTI  
 is the Secretary of MONTI'S CONSTRUCTION, INCORPORATED  
 the within named Corporation, and that the seal affixed to said instrument is the corporate seal of said Corpora-  
 tion, and that the said instrument was signed and sealed in behalf of said Corporation by authority of its Board  
 of Directors, and MARTIN I. MONTI and JAMES J. MONTI  
 acknowledged said instrument to be the free act and deed of said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Kristi L. Redd  
 Notary Public for Oregon.  
 My Commission expires 11/16/91

This instrument was prepared by.....

ASSIGNMENT OF RENTS

THIS ASSIGNMENT, made this 17th day of FEBRUARY,  
1989, by MONTI'S CONSTRUCTION INCORPORATED, an Oregon Corporation,  
Assignor, to LIBERTY SAVINGS & LOAN ASSOCIATION, Assignee,

## W I T N E S S E T H:

FOR VALUE RECEIVED, Assignor hereby grants, transfers and assigns to Assignee, its representatives and assigns, all of the right, title and interest of Assignor in and to any and all leases and all rents and revenues from the real property, herein called "premises," described on Exhibit A attached hereto and made a part hereof.

This assignment is made as security for the payment of a Promissory Note from Assignor to Assignee, dated FEBRUARY 17, 1989, in the face amount of \$210,000.00---, and as security for the performance of a certain Mortgage/Trust Deed on the premises described on Exhibit A dated FEBRUARY 17, 1989.

THE ASSIGNEE AGREES that:

A. So long as there shall exist no default by Assignor in the payment of any indebtedness secured hereby or in the performance of any obligation of Assignor on the Note and Mortgage/Trust Deed, or other instrument securing said indebtedness, Assignor shall have the right to collect, but not more than thirty (30) days prior to accrual, all rents, issues and profits from the premises, and to retain, use and enjoy the same.



B. Upon payment in full of all indebtedness secured hereby as evidenced by the recording or filing of an instrument of satisfaction or full release of the Mortgage/Trust Deed without the recording of another Mortgage/Trust Deed in favor of Assignee affecting the premises, this assignment shall become and be void and of no effect.

THE ASSIGNOR AGREES that:

1. Assignor will not collect or receive the rents on the premises described on Exhibit A for more than thirty (30) days prior to accrual.

2. At Assignor's sole cost and expense, Assignor will appear and defend any action arising out of or in any manner connected with the ownership of the property described on Exhibit A.

3. Should Assignor fail to make any payment due to Assignee or to do any act as herein provided, then Assignee without any obligation to do so and without notice to or demand on the Assignor, and without releasing the Assignor from any obligation hereunder, may make or do the same, including without limiting the general powers, appearing in and defending any action purporting to affect the rights or powers of the Assignee and performing any obligation of the Assignor in connection with the premises, and in exercising any such powers, paying necessary costs and expenses and incurring and paying reasonable attorney's fees. Assignor will pay to Assignee immediately upon demand all sums expended by Assignee under the authority hereof, together

with interest thereon at the rate set forth in the Note and Mortgage/Trust Deed and the same shall be added to said indebtedness and be secured by the Mortgage/Trust Deed.

4. After any default by Assignor in the payment of said indebtedness or in the performance of any obligation of Assignor herein or in the Mortgage/Trust Deed, or any other instrument securing said indebtedness, Assignee, at its option, without regard to the adequacy of security for the indebtedness hereby secured, either in person or by agent, with or without bringing any action or proceeding, or by receiver to be appointed by a court, may enter upon, take possession of and operate the premises and take all action which the Assignor might or could do in Assignor's name, and to sue for or collect and receive all rents, issues and profits, including those past due and unpaid, and apply the same, less fees and costs, upon any indebtedness secured hereby in such order as Assignee may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid shall not cure or waive any default or waive, modify or affect any notice of default under the Mortgage/Trust Deed or invalidate any act done pursuant to such notice.

5. Assignor has not executed any prior assignment of the income, rents and profits from the property described on Exhibit A and has not taken any action which might limit Assignee's rights in and to the rents and profits or the premises described on Exhibit A.

6. This assignment shall inure to the benefit of the successors and assigns of Assignee and shall bind Assignor's successors and assigns.

The parties agree that all notices, demands and documents which are required or permitted to be given or served hereunder shall be in writing and shall be deemed given when sent registered or certified mail addressed to Assignor at 1504 OREGON AVENUE, KLAMATH FALLS OR 97601 and to Assignee at 899 Pearl Street - Eugene, Oregon 97401, and such addresses may be changed from time to time by either party.

IN WITNESS WHEREOF, Assignor has caused this assignment to be executed the day and year first hereinabove written.

ASSIGNOR: MONTI'S CONSTRUCTION INCORPORATED  
an Oregon Corporation

BY: [Signature]  
Martin I. Monti, President

BY: [Signature]  
James J. Monti, Secretary

LIBERTY SAVINGS & LOAN ASSOCIATION

By: [Signature]  
William R. Morris  
Its Commercial Mortgage Analyst

STATE OF OREGON,

County of Klamath  
before me appeared MARTIN I. MONTI

ss.

On this 17th day of February, 1989,  
and JAMES J. MONTI

both to me personally known, who being

duly sworn, did say that he, the said MARTIN I. MONTI  
is the President, and he, the said JAMES J. MONTI  
is the Secretary of MONTI'S CONSTRUCTION, INCORPORATED  
the within named Corporation, and that the seal affixed to said instrument is the corporate seal of said Corporation, and that the said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors, and MARTIN I. MONTI and JAMES J. MONTI  
acknowledge said instrument to be the free act and deed of said Corporation.

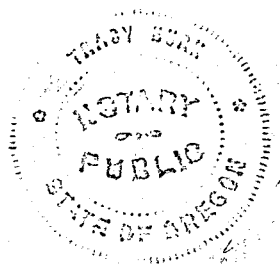
IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day (and year) last above written.

[Signature]  
Notary Public for Oregon.  
My Commission expires 11/16/91



STATE OF OREGON                    )  
  ) ss.  
County of    LANE                  )

Personally appeared WILLIAM R. MORRIS and  
N/A, who, being  
duly sworn, each for himself and not one for the other, did say  
that the former is the COMMERCIAL MORTGAGE ANALYST and the latter is  
the N/A of LIBERTY SAVINGS & LOAN ASSOCIATION,  
a corporation, and that the seal affixed to the foregoing  
instrument is the corporate seal of said corporation and that  
said instrument was signed and sealed in behalf of said corpora-  
tion by authority of its board of directors; and each of them  
acknowledged said instrument to be its voluntary act and deed.  
Before me this 14<sup>th</sup> day of FEBRUARY, 1989.



Tracy Burt  
Notary Public for Oregon  
My commission expires: 01-24-93

ASSIGNMENT OF LESSOR'S INTEREST IN LEASE

THIS ASSIGNMENT, made this 17th day of FEBRUARY,  
19 89, by MONTI'S CONSTRUCTION INCORPORATED, an Oregon Corporation,  
hereinafter called "Assignor" to LIBERTY SAVINGS & LOAN ASSOCIATION,  
hereinafter called "Assignee;"

## W I T N E S S E T H:

FOR VALUE RECEIVED, Assignor hereby grants, transfers and assigns to Assignee, its heirs, representatives and assigns, all of the right, title and interest of Assignor in and to any and all leases now or hereafter existing covering all or a portion of the real property, hereinafter called "Premises," described on Exhibit A, which is attached hereto and made a part hereof including but not limited to that certain lease executed on or about October 22, 1984, MONTI'S CONSTRUCTION INCORPORATED, as assigned between Assignor, as lessor, and DOYLE MOORE and ORDA L. MOORE, as lessee. Any and all leases assigned hereunder are hereinafter called "the lease."

This assignment is made as security for the payment of a promissory note from Assignor to Assignee, dated FEBRUARY 17, 1989, in the face amount of \$210,000.00--- and as security for the performance of a certain Mortgage/Trust Deed made by Assignor to Assignee on the Premises dated FEBRUARY 17, 1989.

THE ASSIGNEE AGREES that:

A. So long as there shall exist no default by Assignor in the payment of any indebtedness secured hereby or in the performance

of any obligation of Assignor herein or in the Mortgage/Trust Deed or other instrument securing said indebtedness, Assignor shall have the right to collect, but not more than thirty (30) days prior to accrual, all rents, issues and profits from the Premises and to retain, use and enjoy the same.

B. Upon payment in full of all indebtedness secured hereby as evidenced by the recording or filing of an instrument of satisfaction or full release of the Mortgage/Trust Deed without the recording of another Mortgage/Trust Deed in favor of Assignee affecting the Premises, this assignment shall become and be void and of no effect.

THE ASSIGNOR AGREES with respect to the lease that:

1. Assignor will fulfill or perform each and every condition and covenant of the lease to be fulfilled or performed by Assignor; give prompt notice to Assignee of any notice of default by Assignor under the lease; at the sole cost and expense of Assignor enforce, short of termination of the lease, the performance or observance of each and every covenant and condition of the lease by lessee to be kept and performed; not to modify nor in any way alter the terms of the lease; nor terminate the term of the lease nor accept the surrender thereof unless required to do so by the terms of the lease; nor accept the rents thereunder for more than thirty (30) days prior to accrual; and not waive nor release the lessee from any obligations or conditions of the lease to be performed.

2. The rights assigned hereunder include all of Assignor's right and power to modify the lease or to terminate the term or to accept a surrender thereof or to waive or release the lessee from the performance or observance by the lessee of any obligation or condition thereof or to accept rents thereunder for more than thirty (30) days prior to accrual.

3. At Assignor's sole cost and expense, the Assignor will appear in and defend any action growing out of or in any manner connected with the lease or the obligations or liabilities of Assignor, lessee or any guarantor thereunder.

4. Should Assignor fail to make any payment or to do any act as herein provided then Assignee, but without any obligation so to do, and without notice to or demand on the Assignor and without releasing the Assignor from any obligation hereunder, may make or do the same including specifically without limiting the general powers, appearing in and defending any action purporting to affect the security hereof or the rights or powers of the Assignee and performing any obligation of the Assignor in the lease contained and in exercising any such powers, paying necessary costs and expenses, employing counsel and incurring and paying reasonable attorney's fees. Assignor will pay immediately upon demand all sums expended by Assignee under the authority hereof, together with interest thereon at the rate provided on the Note and Mortgage/Trust Deed and the same shall be added to said indebtedness and shall be secured hereby and by the Mortgage/Trust Deed.

5. After any default by Assignor in the payment of said indebtedness or in the performance of any obligation of Assignor herein or in the Mortgage/Trust Deed or any other instruments securing said indebtedness, Assignee, at its option, without notice, irrespective of whether notice has been given to Assignor and without regard to the adequacy of security for the indebtedness hereby secured, either in person or by agent, with or without bringing any action or proceeding or by a receiver to be appointed by a court, may enter upon, take possession of and operate the premises; make, enforce, modify and accept the surrender of the lease; obtain and evict tenants; fix or modify rents; and do any acts which Assignee deems proper to protect the security thereof until all indebtedness secured hereby is paid in full and either with or without taking possession of the premises in its own name, sue for or collect and receive all rents, issues and profits including those past due and unpaid and apply the same, less costs and expenses of operation and collecting, including reasonable attorney's fees, upon any indebtedness secured hereby, in such order as Assignee may determine. Any income received from the premises by Assignee in excess of the amounts necessary to meet all obligations of Assignor secured hereby, including any accelerated indebtedness, and of the amount estimated by Assignee to be necessary to meet such obligations for the subsequent six-month period shall be paid over by Assignee to Assignor promptly after the expiration of each six-month period following the date of



such entry. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid shall not cure or waive any default or waive, modify or affect any notice of default under the Mortgage/Trust Deed or invalidate any act done pursuant to such notice.

6. (a) Assignor has not executed any prior assignment of any of its rights under the lease; (b) Assignor has not done anything which might prevent Assignee from or limit Assignee in operating under any of the provisions hereof; (c) Assignor has not accepted rent under the lease more than thirty (30) days in advance of its due date; (d) So far as Assignor knows, there is no present default by the lessee under the lease; and (e) The lease is in full force and effect.

7. Assignee shall not be obligated to perform or discharge any obligation under the lease or under or by reason of this assignment and Assignor hereby agrees to indemnify Assignee against and hold it harmless from any and all liability, loss or damage which it may or might incur under the lease or under or by reason of this assignment and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligation or undertaking on their part to perform or discharge any of the terms of the lease; should Assignee incur any such liability, loss or damage under the lease or under or by reason of this assignment or in defense against any such claims

or demands, the amount thereof, including costs, expenses and reasonable attorney's fees, together with interest thereon at the rate contained in the Note and Mortgage/Trust Deed shall be secured hereby and by the Mortgage/Trust Deed and Assignor shall reimburse Assignee therefor immediately upon demand.

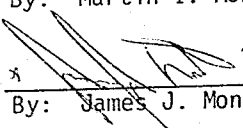
8. This assignment shall inure to the benefit of the successors and assigns of Assignee and shall bind Assignor's successors and assigns.

The parties agree that all notices, demands or documents which are required or permitted to be given or served hereunder shall be in writing and shall be deemed given when sent by registered or certified mail addressed to Assignor at 1504 OREGON AVENUE, KLAMATH FALLS, OREGON 97601, and to Assignee at 899 PEARL STREET, EUGENE, OREGON 97401, and that such addresses may be changed from time to time by either party serving notice as provided.

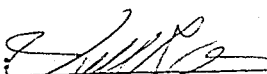
IN WITNESS WHEREOF, Assignor has caused this assignment to be executed the day and year first hereinabove written.

ASSIGNOR: MONTI'S CONSTRUCTION INCORPORATED, ASSIGNEE:  
an Oregon Corporation

  
By: Martin I. Monti, President

  
By: James J. Monti, Secretary

LIBERTY SAVINGS & LOAN ASSOCIATION

  
By: William R. Morris  
Its: Commercial Mortgage Analyst

STATE OF OREGON,

County of Klamath } ss.  
 On this 17th day of February, 19 89,  
 before me appeared MARTIN I. MONTI and JAMES J. MONTI and  
 both to me personally known, who being  
 duly sworn, did say that he, the said MARTIN I. MONTI  
 is the President, and he, the said JAMES J. MONTI  
 is the Secretary of MONTI'S CONSTRUCTION, INCORPORATED  
 the within named Corporation, and that the seal affixed to said instrument is the corporate seal of said Corpora-  
 tion, and that the said instrument was signed and sealed in behalf of said Corporation by authority of its Board  
 of Directors, and MARTIN I. MONTI and JAMES J. MONTI  
 acknowledge said instrument to be the free act and deed of said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed  
 my official seal the day and year last above written.

Kristi L. Redd  
 Notary Public for Oregon.  
 My Commission expires 11/16/91

STATE OF OREGON )  
 County of LANE ) ss.

Personally appeared WILLIAM R. MORRIS who,  
 being duly sworn, did say that HE is the COMMERCIAL MORTGAGE ANALYST  
 of LIBERTY SAVINGS & LOAN ASSOCIATION, a corporation, and that  
 the seal affixed to the foregoing instrument is the corporate  
 seal of said corporation and that said instrument was signed and  
 sealed in behalf of said corporation by authority of its board  
 of directors; and acknowledged said instrument to be its  
 voluntary act and deed. Before me this 14th day of  
FEBRUARY 14, 1989.

Tracy Burt  
 Notary Public for Oregon  
 My commission expires: 01-24-93

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co. the 21st day  
 of Feb. A.D., 19 89 at 3:56 o'clock P.M., and duly recorded in Vol. M89,  
 of Mortgages on Page 3181

FEE \$83.00

Evelyn Biehn  
 By Doreen Mulvaney County Clerk