

KNOW ALL MEN BY THESE PRESENTS, that WESTERN BANK, an Oregon corporation, (hereinafter referred to as the "Assignee") agreed to make a loan to Gerald R. Cannon and Gloria A. Cannon (hereinafter referred to as the "Assignors") which loan is evidenced by Assignor's note dated September, 1989 in the principal amount of Seventy-nine Thousand Eight Hundred Seventy-five and no/100--- (\$ 79,875.00) Dollars and interest payable in equal monthly installments of Nine Hundred Eighteen and no/100----- (\$ 918.00 ~~908.00~~) Dollars each, payable on the 5th day of each month, commencing with January 5, 1990, secured by a Trust Deed or Mortgage dated September, 19 89.

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,

Gerald R. Cannon and Gloria A. Cannon, Husband and Wife

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

Property located in Section 2, Township 39 South, Range 9 East of the Willamette Meridian, more particularly described in the 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.

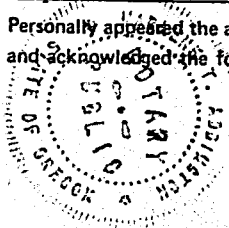
Dated this 20th day of September, 19 89

Gerald R. Cannon
Gerald R. Cannon
Gloria A. Cannon
Gloria A. Cannon

STATE OF Oregon)
COUNTY OF Klamath) SS.

September, A.D., 19 89.

Personally appeared the above named Gerald R. Cannon and Gloria A. Cannon and acknowledged the foregoing instrument to be their voluntary act and deed. Before me:



Harlene L. Addington
Notary Public for Oregon
My Commission Expires 3-22-93

EXHIBIT "A"

PARCEL 1:

Beginning at a point on the Northerly right of way line of the Dalles-California Highway, which lies North 0 degrees 55' West a distance of 30 feet and North 89 degrees 21' East 329.7 feet from an iron pin in the pavement marking the center of Section 2, Township 39 South, Range 9 East of the Willamette Meridian; thence North 89 degrees 21' East along the Northerly line of the highway 72.9 feet; thence North 0 degrees 59' West 189.4 feet; thence South 89 degrees 21' West 72.9 feet; thence South 0 degrees 59' East 189.4 feet to the point of beginning and situate in the SW 1/4 of the NE 1/4 of Section 2, Township 39 South, Range 9 East of the Willamette Meridian, SAVING AND EXCEPTING THEREFROM that portion in deed from Charles H. DuFour and Thora DuFour, husband and wife, to the State Highway Commission, dated June 16, 1964, recorded June 23, 1964 in Book 354 at Page 66, Deed Records of Klamath County, Oregon.

PARCEL 2:

Beginning at a point on the Northerly right of way line of the Dalles-California Highway which lies North 0 degrees 55' West a distance of 30 feet and North 89 degrees 31' East 256.6 feet from an iron pin in the pavement marking the center of Section 2, Township 39 South, Range 9 East of the Willamette Meridian which said point is the Southeast corner of a tract of land hereto conveyed to Wade E. Pitcher and wife, by deed recorded in Book 117 at Page 440, Deed Records of Klamath County, Oregon; thence North 2 degrees 53' West along the Easterly line of the Pitcher Tract 190 feet, more or less, to the Northeast corner of said Pitcher Tract; thence North 89 degrees 21' East 82.9 feet; thence South 0 degrees 59' East a distance of 189.4 feet, more or less, to the Northerly right of way line of the Dalles-California Highway; thence South 89 degrees 21' West along the Northerly right of way line of the highway 73.1 feet to the point of beginning, and situate in the SW 1/4 of NE 1/4 of Section 2, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

SAVING AND EXCEPTING THEREFROM that portion in Deed from Charles H. DuFour and Thora DuFour, husband and wife, to the State Highway Commission, dated June 16, 1964, recorded June 23, 1964 in Book 354 at Page 66, Deed Records of Klamath County, Oregon.

CODE 41 MAP 3909-2AC TL 7300

*Return to
Western Bank
Loan Center
P.O. Box 869
Coos, Bay, Oregon 97420*

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title Co. the 20th day
of Sept. A.D., 19 89 at 3:45 o'clock P.M., and duly recorded in Vol. M89,
of Mortgages on Page 17794.

FEE \$13.00

Evelyn Biehn County Clerk
By Pauline Mueller