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K-41941

ASSIGNMENT OF LEASE

KNOW ALL MEN BY THESE PRESENTS, that

WHEREAS, Donald E. Rowlett and Jean Rowlett

hereinafter referred to as "OWNER", is the present owner in fee simple of that certain real estate located in the County of Klamath and State of Oregon legally described in Exhibit "A" attached hereto and made a part hereof, and

WHEREAS, THE FRANKLIN LIFE INSURANCE COMPANY, a corporation of the State of Illinois, having its principal office in the City of Springfield, Illinois, hereinafter referred to as "ASSIGNEE", is about to become the owner and holder of a first mortgage executed by OWNER, covering the above-mentioned real estate, which mortgage secures a note in the principal sum of ONE MILLION FIVE HUNDRED FIFTY THOUSAND AND No./100 (\$ 1,550,000.00 )

DOLLARS, and

WHEREAS, a portion or all of said mortgaged premises has been demised under lease(s) to See Exhibit "B" attached hereto

hereinafter referred to as the "LEASE", and

WHEREAS, ASSIGNEE, as a condition to making the aforesaid mortgage loan, has required an assignment of OWNER'S interest in said LEASE as additional security for said mortgage loan.

NOW, THEREFORE, THESE PRESENTS WITNESS, that in consideration of the foregoing and of the sum of One Dollar (\$1.00) paid by ASSIGNEE to OWNER, the receipt whereof is hereby acknowledged by OWNER, the said OWNER hereby assigns, transfers and sets over unto ASSIGNEE all of OWNER'S right, title and interest in and to said LEASE, together with any extensions or renewals thereof, as additional security for the aforesaid mortgage loan and any extensions or renewals thereof; and for the consideration aforesaid, the OWNER hereby covenants and agrees to and with ASSIGNEE that he will not, without written consent of ASSIGNEE, cancel said LEASE; accept a surrender thereof; reduce the rent; modify the said LEASE in any way, either orally or in writing; grant any concession in connection with said LEASE, either orally or in writing; consent to an assignment of the lessee's

Form 2928-E

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This instrument was prepared by:  
James C. Rundblom, Associate Counsel  
The Franklin Life Insurance Company  
41 Franklin Square, Springfield, IL 62713

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interest in the said LEASE, or to a sub-letting; accept rental in advance of due dates; or transfer or convey title to the demised premises to the lessee; and any of the above acts, if done without the written consent of ASSIGNEE, shall be null and void.

The OWNER, hereby authorizes ASSIGNEE, at its option, at any time after default shall occur under the terms and provisions of this assignment or of the note, mortgage or other security instruments, without making entry upon the mortgaged premises and upon notice to the lessee, to collect and receive all rents payable under said LEASE and all other benefits to be derived therefrom and to hold and receive them unto ASSIGNEE. This assignment shall constitute a direction to and full authority to the lessee to pay upon demand by ASSIGNEE all such rents and other benefits to ASSIGNEE or to whomsoever ASSIGNEE shall empower. Further, the OWNER, hereby authorizes ASSIGNEE, at its option, at any time after default shall occur under the terms and provisions of this assignment or of the note, mortgage or other security instruments, to enter upon the said mortgaged premises by its officers, agents or employees for the operation and maintenance of said mortgaged premises, the OWNER hereby authorizing ASSIGNEE in general to perform all acts in the operation and maintenance of said premises in the same manner and to the same extent the OWNER may reasonably so act. ASSIGNEE shall, after payment of all proper charges and expenses, credit the net amount of income which it may receive by virtue of the within assignment and from the mortgaged premises to any amounts due ASSIGNEE from the OWNER under the terms or provisions of the aforesaid note and mortgage. The manner of the application of such net income and the item which shall be credited shall be within the sole discretion of ASSIGNEE.

In no event shall this assignment operate to impose any duty or obligation upon ASSIGNEE to demand, sue for or make collection of rents or other sums from time to time due and owing by the lessee under said LEASE.

This assignment, prior to entry upon the premises by ASSIGNEE, shall not operate to make ASSIGNEE a mortgagee in possession nor to place responsibility for the control, care, management or repair of said premises upon ASSIGNEE, nor for the carrying out of any of the terms and conditions of said LEASE, nor shall it operate to make ASSIGNEE responsible or liable for any waste committed on the property by any lessee or other party, or for any negligence in the management, upkeep, repair or control of said premises resulting in loss or injury or death to any lessee, licensee, employee or stranger. No liability shall be asserted or enforced against ASSIGNEE, all such liability being hereby expressly waived and released by OWNER and should any such action be brought against ASSIGNEE by reason of this assignment, then OWNER agrees to reimburse ASSIGNEE, immediately upon demand, for all costs, expenses and reasonable attorney fees incurred.

The OWNER hereby covenants and warrants to ASSIGNEE that he has not executed any prior assignment of said LEASE or rentals therefrom, nor has the OWNER performed any acts, or executed any other instrument which might prevent ASSIGNEE from operating under any of the terms and conditions of this assignment, or which would limit ASSIGNEE in such operation; and OWNER further covenants and warrants to ASSIGNEE that he has not executed or granted any modification whatever of said LEASE, either orally or in writing, and that the said LEASE is in full force and effect according to its original terms, and that there are no defaults now existing under the said LEASE.

It is agreed by OWNER that none of the rights or remedies of ASSIGNEE under the mortgage shall be delayed or in any way prejudiced by virtue of this assignment and that this assignment is intended to be supplementary to and not in substitution for any assignment of rents contained in the mortgage.

Simultaneously upon satisfaction of the indebtedness hereby collaterally

secured, evidenced by recordation of a release of the hereinabove mentioned first mortgage, then this assignment shall be deemed null and void and of no force or effect.

All the covenants and agreements hereinabove contained on the part of either party shall apply to and bind their heirs, executors or administrators, successors or assigns. The word "OWNER", if applied to a natural person, shall be construed to mean any one or more persons or parties who are holders of the legal title or equity of redemption to or in the aforesaid mortgaged premises. The word "mortgage" shall be construed to mean the instrument, be it a mortgage, loan deed, trust deed, vendor's lien, or otherwise; and the word "note" shall be construed to mean the instrument, whether note or bond. The word "he" where it appears in this instrument as relating to the OWNER shall be construed to mean the OWNER whether it be a corporation or a natural person or persons, either male or female. The word "LEASE" as used herein shall be construed where appropriate to mean all leases described herein and the word "lessee" as used herein shall be construed where appropriate to mean lessees, tenant or tenants.

IN WITNESS WHEREOF, OWNER has set his hand and seal this 2nd day of April, 1990, and in the event OWNER is a corporation, it has caused this assignment to be signed by its duly authorized officer or officers and its corporate seal to be hereunto affixed.

Signed, sealed and delivered  
in the presence of:

Robert B. Kham

Donald E. Rowlett (L.S.)  
Donald E. Rowlett

Jean Rowlett (L.S.)  
Jean Rowlett

(L.S.)

(ACKNOWLEDGMENT)

on following page

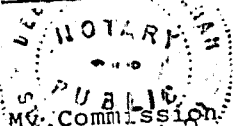


ACKNOWLEDGMENTS

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STATE OF OREGON       )  
                              )SS  
COUNTY OF KLAMATH    )

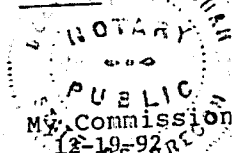
The foregoing instrument was acknowledged before me this  
2nd day of April, 1990, by DONALD E. ROWLETT.



Donald E. Rowlett  
Notary Public

STATE OF OREGON       )  
                              )SS  
COUNTY OF KLAMATH    )

The foregoing instrument was acknowledged before me this  
2nd day of April, 1990, by JEAN ROWLETT.



Donald E. Rowlett  
Notary Public

Unofficial Copy

EXHIBIT "A"(LEGAL DESCRIPTION OF REAL ESTATE)

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 in Block 78 of  
Klamath Addition to the City of Klamath Falls, Oregon,  
according to the official plat thereof on file in the  
office of the County Clerk of Klamath County, Oregon.

(Exhibit "B")

Lease dated February 28, 1989 and amended by Lease Amendment dated September 29, 1989 all between Donald E. and Jean Rowlett, Lessor, and State of Oregon, acting by and through the Department of Human Resources, Adult and Family Services Division, Lessee, on premises located at: 710 Klamath Avenue, Klamath Falls, Oregon 97601, Klamath County.

Returnd: KCTC

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co. the 2nd day  
of April A.D., 19 90 at 3:15 o'clock P.M., and duly recorded in Vol. M90,  
of Deeds on Page 5984  
Evelyn Biehn County Clerk  
By Douglas Mendenhall

FEE \$53.00