

MTC 31518-KR  
CONDITIONAL ASSIGNMENTS OF RENTALS

THIS AGREEMENT, Entered into this 14th day of April, 1994,  
between WILLIAM D. SCHULDHEISZ

hereinafter referred to as Owner and TRUSTEES OF THE WOODY FAMILY TRUST  
hereinafter referred to as Beneficiary or the survivor thereof,

WITNESSETH:

WHEREAS, Owner is the present owner in fee simple of property described as:

Lots L and M, Block A, NICHOLS ADDITION to the City of Klamath Falls, according to the supplemental plat of Block 66 and 70, NICHOLS ADDITION on file in the office of the County Clerk of Klamath County, Oregon.

in Klamath County, State of Oregon, and the Beneficiary is owner and holder of an All Inclusive Trust Deed covering said premises, which said All Inclusive Trust Deed is in the original principal sum of \$ 110,000.00 made by owner to Beneficiary under the date of April-14, 1994; and

WHEREAS, Beneficiary, as a condition to making said loan and accepting said All Inclusive Trust Deed required the execution of this assignment of the rentals of the All Inclusive Trust Deed premises by owner.

NOW, THEREFORE, in order further to secure the payment of the indebtedness of the owner to Beneficiary and in consideration of the accepting of the aforesaid All Inclusive Trust Deed and the note secured thereby, and in further consideration of the sum of \$1.00 paid by the Beneficiary to owner receipt of which is hereby acknowledged, the said owner does hereby sell, assign, transfer and set over unto Beneficiary all of the rents, issues and profits of the aforesaid mortgaged premises, this assignment to become operative upon any default being made by the owner (grantor) under the terms of the aforesaid All Inclusive Trust Deed and the note secured thereby, and to remain in full force and effect so long as any default continues to exist in the matter of the making of any of the payments or the performance of any of the covenants set forth in the aforesaid All Inclusive Trust Deed and the note secured thereby.

1. In furtherance of the foregoing assignment, the owner hereby authorizes the Beneficiary, its employees or agents, at its option, after the occurrence of a default as aforesaid to enter upon the mortgaged premises and to collect, in the name of the owner, or in their own name as assignee, the rents accrued but unpaid and in arrears at the date of such default, as well as the rents thereafter accruing and becoming payable during the period of the continuance of the said or any other default; and to this end, the owners further agree they will facilitate in all reasonable ways the Beneficiary's collection of said rents and will upon request by Beneficiary execute a written notice to the tenant directing the tenant to pay rent to the said Beneficiary.

2. The owner also hereby authorizes the Beneficiary upon such ent at its option, to take over and assume the management, operation and maintenance of the said mortgaged premises and to perform all acts necessary and proper and to expend such sums out of the income of the mortgaged premises as may be needful in connection therewith, in the manner and to the same extent as the owner theretofore might do, including the right to effect new leases, to cancel or surrender existing leases, to alter or amend the terms of existing leases, to make concessions to tenants, the owner hereby releasing all claims against Beneficiary arising out of such management, operation and maintenance excepting the liability of the Beneficiary to account as hereinafter set forth.

3. The Beneficiary shall, after payment of all proper charges and expenses, including reasonable compensation to such Managing Agent as it shall select and employ and after the accumulation of a reserve to meet taxes, assessments, water rents and fire and liability insurance in requisite amounts, credit the net amount of income received by it from the mortgaged premises by virtue of this assignment, to any amounts due and owing to it by the owners under the terms of the All Inclusive Trust Deed and the note secured thereby but the manner of the application of such net income and what items shall be credited, shall be determined in the sole discretion of the Beneficiary. The Beneficiary shall not be accountable for more moneys than it actually received from the mortgaged premises; nor shall it be liable for failure to collect rents. The Beneficiary shall make reasonable effort to collect rents, reserving, however, within its own discretion, the right to determine the method of collection and the extent to which enforcement of collection of delinquent rents shall be prosecuted.

4. In the event, however, that the owner shall reinstate the All Inclusive Trust Deed loan completely in good standing, having complied with all the terms, covenants and conditions of the said All Inclusive Trust Deed and the note secured thereby, then the Beneficiary within one month after demand in writing shall re-deliver possession of the mortgaged premises to owner, who shall remain in possession unless and until another default occurs, at which time the Beneficiary may, at its option, again take possession of the mortgaged premises under authority of this instrument.

5. The owner hereby covenants and warrants to the Beneficiary that neither it, nor any previous owner, have executed any prior assignment or pledge of the rentals of the mortgaged premises, nor any prior assignment or pledge of its landlords' interest in any lease of the whole or any part of the mortgaged premises. The owner also hereby covenants and agrees not to collect the rents of the said mortgaged premises in advance, other than as required to be paid in advance by the terms of any rental agreement, and further agrees not to do any other act which would destroy or impair the benefits to the Beneficiary of this assignment.

6. It is not the intention of the parties hereto that an entry by the Beneficiary upon the mortgaged premises under the terms of the instrument shall constitute the said Beneficiary a "Beneficiary in possession" in contemplation of law, except at the option of the Beneficiary.

7. This assignment shall remain in full force and effect as long as the All Inclusive Trust Deed debt to the Beneficiary remains unpaid in whole or in part.

8. The provisions of this instrument shall be binding upon the owner, its successors or assigns, and upon the Beneficiary and its successors or assigns. The word "Owner" 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 "note" shall be construed to mean the instrument, whether note or bond, given to evidence the indebtedness held by the Beneficiary against the mortgaged premises; and the word "All Inclusive Trust Deed" shall be construed to mean, the instrument securing the said indebtedness owned and held by the Beneficiary, whether such instrument be All Inclusive Trust Deed, loan deed, trust deed, vendor's lien or otherwise.

It is understood and agreed that a full and complete release of the aforesaid All Inclusive Trust Deed shall operate as a full and complete release of all the Beneficiaries rights and interests hereunder, and that after said All Inclusive Trust deed has been fully released, this instrument shall be void and of no further effect.

Dated at Klamath Falls, Oregon, this 14th day of April, 19 94

STATE OF OREGON,

County of KLAMATH

ss.

*William D. Schuldheisz*  
(Seal)

BE IT REMEMBERED, That on this 14th day of April, 19 94, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named WILLIAM D. SCHULDHEISZ

known to me to be the identical individual described in and who executed the within instrument and acknowledged to me that HE executed the same freely and voluntarily.

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 11/16/95

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STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title co the 20th day  
of April A.D., 19 94 at 1:34 o'clock P. M., and duly recorded in Vol. M94  
of Mortgages on Page 11781.

FEE \$20.00

Evelyn Biehn

County Clerk

By

Darlene Millender

Return: Mountain Title co