

MTL 33406-KR
CONDITIONAL ASSIGNMENTS OF RENTALS

THIS AGREEMENT, entered into this 15th day of July, 1994, between OTTLAND, INC., an Oregon corporation, hereinafter referred to as Owner and HENRY J. CALDWELL, JR. and DEBORAH L. CALDWELL, and HENRY J. CALDWELL and GENEVA B. CALDWELL, hereinafter referred to as Beneficiaries:

WITNESSETH:

WHEREAS, Owner is the present owner in fee simple of property described on attached Exhibit A in Klamath County, State of Oregon, hereinafter referred to as the subject premises, and the Beneficiaries are owners and holders of trust deed covering said subject premises, recorded on July 15, 1994, Volume M94, Page 21913, Microfilm Records, Klamath County, Oregon, which said trust deed is in the original principal sum of \$230,000.00, made by owner to Beneficiaries under the date of July 15, 1994.

WHEREAS, Beneficiaries, as a condition of making said loan and accepting said trust deed, required the execution of this assignment of the rentals of the subject premises by owner.

NOW, THEREFORE, in order to further secure the payment of the indebtedness of the owner to Beneficiaries and in consideration of the accepting of the trust deed and the note secured thereby, the said owner does hereby sell, assign, transfer and set over unto Beneficiaries all of the rents, issues and profits of the aforesaid subject premises, this assignment to become operative upon any default being made by the owner (grantor) under the terms of the 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 trust deed and the note secured thereby.

1. In furtherance of the foregoing assignment, the owner hereby authorizes the Beneficiaries, their employees or agents, at its option, after the occurrence of a default as aforesaid to enter upon the subject 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 owner further agrees they will facilitate in all reasonable ways the Beneficiaries' collection of said rents and will, upon request by Beneficiaries execute a written notice to the tenant directing the tenant to pay rent to the said Beneficiaries.

2. The owner also hereby authorizes the Beneficiaries upon such entry, at their option, to take over and assume the management, operation and maintenance of the said subject premises and to perform all acts necessary and property and to expend such sums out of the income of the subject 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 Beneficiaries arising out of such management, operation and maintenance excepting the liability of the Beneficiaries to account as hereinafter set forth.

3. The Beneficiaries shall, after payment of all proper charges and expenses, including reasonable compensation to such Managing Agent as it shall

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1 select and employ and after the accumulation of a reserve to meet taxes,
2 assessments, water rents and fire and liability insurance in requisite amounts,
3 credit the net amount of income received by it from the subject premises by
4 virtue of this assignment, to any amounts due and owing to it by Beneficiaries.
5 The Beneficiaries shall not be accountable for more moneys than it actually
6 received from the subject premises; nor shall it be liable for failure to collect
7 rents. The Beneficiaries shall make reasonable effort to collect rents,
8 reserving, however, within its own discretion, the right to determine the method
9 of collection and the extent to which enforcement of collection of delinquent
10 rents shall be prosecuted.

11 4. In the event, however, that the Owner shall reinstate the trust deed
12 loan completely in good standing, having complied with all the terms, covenants
13 and conditions of the said trust deed and the note secured thereby, the
14 Beneficiaries within one month after demand in writing shall re-deliver
15 possession of the subject premises to Owner, who shall remain in possession
16 unless and until another default occurs, at which time the Beneficiaries may, at
17 their option, again take possession of the subject premises under authority of
18 this instrument.

19 5. In the event of a default by the Owner of the promissory note or trust
20 deed, the Beneficiaries may apply to a Court for the appointment of a receiver
21 to collect the rent on the subject premises. The rent collected shall be first
22 applied to the costs of the receiver, next to the Beneficiaries' reasonable
23 attorney's fees for the appointment of the receiver and the maintenance of the
24 receivership.

25 6. The Owner hereby covenants and warrants to the Beneficiaries that
26 neither it, nor any previous owner, have executed any prior assignment or pledge
27 of the rentals of the subject premises, nor any prior assignment or pledge of its
28 landlords' interest in any lease of the whole or any part of the subject
29 premises. The Owner also hereby covenants and agrees not to collect the rents
30 of the subject premises in advance, other than as required to be paid in advance
31 by the terms of any rental agreement, and further agrees not to do any other act
32 which would destroy or impair the benefits to the Beneficiaries of this
assignment.

7. It is not the intention of the parties hereto that an entry by the
Beneficiaries upon the subject 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 Beneficiaries.

8. This assignment shall remain in full force and effect as long as the
trust deed debt to the Beneficiaries remains unpaid in whole or in part.

9. The provisions of this instrument shall be binding upon the owner, its
successor assigns, and upon the Beneficiaries 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
subject premises. The word "Note" shall be construed to mean the instrument,
whether note or bond, given to evidence the indebtedness held by the
Beneficiaries against the subject premises; and the word "Trust Deed" shall be
construed to mean the instrument securing the said indebtedness owned and held
by the Beneficiaries, whether such instrument be trust deed, loan deed, vendor's
lien or otherwise.

It is understood and agreed that a full and complete release of the
aforesaid trust deed shall operate as a full and complete release of all the

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Beneficiaries' rights and interests hereunder, and that after said trust deed has been fully released, this instrument shall be void and of no further effect.

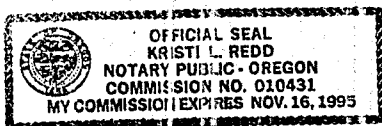
Dated at Klamath Falls, Oregon, this 15th day of July, 1994.

OTTLAND, INC.

L. A. Swetland
L. A. Swetland, President

STATE OF OREGON)
) SS
County of Klamath)

This instrument was acknowledged before me on July 15, 1994, by L. A. Swetland as President of OTTLAND, INC., an Oregon Corporation.



Kristi L. Redd
Notary Public for Oregon
My Commission Expires: 11/16/95

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WILLIAM L. SISEMORE
Attorney at Law
540 Main Street
KLAMATH FALLS, ORE.
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O.S.B. #70133

EXHIBIT "A"
LEGAL DESCRIPTION

A tract of land situated in the SE1/4 of Section 1, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a 3/4" iron pipe monument on the Northeasterly right of way line of the Dalles-California Highway (South Sixth Street) which bears South 89 degrees 56' West a distance of 293.94 feet and North a distance of 306.77 feet from the Southwest corner of the SE1/4 of the SE1/4 of said Section 1, said point being the intersection of the Northeasterly right of way line of said Highway with the Southwesterly right of way line of the Enterprise Irrigation District Canal; thence North 46 degrees 09' West along the Highway right of way a distance of 425.08 feet to a 1/2" iron rod marking the most Westerly corner of parcel described in instrument recorded in Volume M79, page 28469, Microfilm Records of Klamath County, Oregon; thence North 43 degrees 51' East a distance of 14.0 feet to a 1/2 inch iron rod on the Northeasterly right of way line of said Highway as presently located and constructed and the true point of beginning of this description; thence continuing North 43 degrees 51' East a distance of 239.39 feet to a 1/2" iron rod on the Westerly right of way of said canal; thence along said canal right of way the following courses and distances; North 07 degrees 58' East, 172.0 feet; North 15 degrees 17' 49" West, 95.16 feet; North 26 degrees 08' 51" West, 49.76 feet; North 37 degrees 31' 30" West, 108.19 feet; North 47 degrees 32' 47" West, 131.31 feet; North 54 degrees 57' 46" West, 347.12 feet and North 64 degrees 23' 33" West, 90.82 feet to a 1/2" rebar on the West line of the East 959.0 feet of the NW1/4 of the SE1/4 of said Section 1, as shown on map of County Survey #3560, said point also being on approximate center line of a private roadway commonly known as Unity Street; thence South 0 degrees 04' 27" East along said line a distance of 522.01 feet, more or less, to a point on the Northeasterly right of way line of said Highway; thence South 46 degrees 09' East along said right of way a distance of 534.66 feet, more or less, to the point of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title the 15 day
of July A.D., 19 94 at 3:38 o'clock P M., and duly recorded in Vol. M94
of Mortgages on Page 21916

FEE 25.00

EVELYN BIEHN County Clerk

By Ruthie Mullendare