

CONDITIONAL ASSIGNMENT OF RENTALS

ATC # 01043538

THIS AGREEMENT, entered into this 1st day of September 1995, between GERALD A. PAGE and LOUISE L. PAGE, referred to as Owner, and DALLAS HENRY GIVAN, hereinafter referred to as beneficiary.

W I T N E S S E T H:

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

Lots 8, 9, 10, 11, and the Northerly 15 feet of Lots 12 and 13, Block 39, HILLSIDE ADDITION to the City of Klamath Falls, County of Klamath, State of Oregon,

and the beneficiary is owner and holder of a trust deed covering said premises, which said trust deed is in the original principal sum of \$215,000.00, made by owner to beneficiary under the date of September 1, 1995; and

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

NOW, THEREFORE, in order to secure the payment of the indebtedness of the owner to beneficiary and in consideration of the accepting of the aforesaid trust deed and the note secured thereby, and in further consideration of the sum of One Dollar paid by 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 subject premises, this assignment to become operative upon any default being made by the owner (grantor) under the terms of the aforesaid trust deed or 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 or the notes 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 subject premises and to collect, in the name of the owner, or in their own name as assignee, the rents accrue but unpaid and in arrears at the date of such default, as well as the rents thereafter 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 that he 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 entry, at its option, to take over and assume the management, operation and maintenance of the said subject premises and to perform all acts necessary and proper and to expend such sums out of the income of the subject premises as may be needful in connection therewith, in the same 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,

Conditional Assignment of Rentals - Page 1

1 credit the net amount of income received by it from the mortgaged premises by
 2 virtue of this assignment, to any amounts due and owing to it by the owner under
 3 the terms of the trust deed and the note secured thereby but the manner of the
 4 application of such net income and what items shall be credited, shall be
 5 determined in the sole discretion of the beneficiary. The beneficiary shall not
 6 be accountable for more moneys than it actually received from the subject
 7 premises; nor shall it be liable for failure to collect rents. The beneficiary
 8 shall make reasonable effort to collect rents, reserving, however, within its own
 9 discretion, the right to determine the method of collection and the extent to
 10 which enforcement of collection of delinquent 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 mortgage and the note secured thereby, then the
 14 beneficiary within one month after demand in writing shall re-deliver possession
 15 of the subject premises to owner, who shall remain in possession unless and until
 16 another default occurs, at which time the beneficiary may, at its option, again
 17 take possession of the subject premises under authority of this instrument.

18 5. The owner hereby covenants and warrants to the beneficiary that neither
 19 it, nor any previous owner, has executed any prior assignment or pledge of the
 20 rentals of the subject premises, nor any prior assignment or pledge of its
 21 landlord's interest in any lease of the whole or any part of the subject
 22 premises. The owner also hereby covenants and agrees not to collect the rents
 23 of the said subject premises in advance, other than as required to be paid in
 24 advance by the terms of any rental agreement, and further agrees not to do any
 25 other act which would destroy or impair the benefits to the beneficiary of this
 26 assignment.

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

31 7. This assignment shall remain in full force and effect as long as the
 32 trust deed debt to the beneficiary remains unpaid in whole or in part.

33 8. The provisions of this instrument shall be binding upon the owner, its
 34 successors or assigns, and upon the beneficiary and its successors assigns. The
 35 word "Owner" shall be construed to mean any one or more persons or parties who
 36 are holders of the legal title or equity of redemption to or in the aforesaid
 37 subject premises. The word "Note" shall be construed to mean the instrument,
 38 whether note or bond, given to evidence the indebtedness held by the beneficiary
 39 against the subject premises; and the word "trust deed" shall be construed to
 40 mean the instrument securing the said indebtedness owned and held by the
 41 beneficiary, whether such instrument be mortgage, loan deed, trust deed, vendor's
 42 lien or otherwise.

43 It is understood and agreed that a full and complete release of the
 44 aforesaid trust deed shall operate as a full and complete release of all the
 45 beneficiary's rights and interests hereunder, and that after said trust deed has
 46 been fully released, this instrument shall be void and of no further effect.

47 Dated at Klamath Falls on ^{August} ~~September~~ 30, 1995.

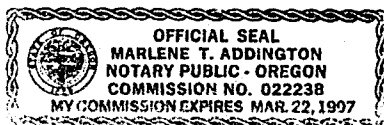
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 49 Gerald A. Page

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 51 Louise L. Page

1 STATE OF OREGON)
 2) SS
 3 County of Klamath)

4 This certifies that on this 30th day of August 1995, before me, the
 5 undersigned, a Notary Public for said state, personally appeared the within named
 6 Gerald A. Page and Louise L. Page, known to me to be the identical persons
 7 described in and who executed the within instrument and acknowledged to me that
 8 they executed the same freely and voluntarily for the purpose therein expressed.

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



Marlene T. Addington
 Notary Public for Oregon
 My Commission Expires: 3-22-97

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 31st day
 of Aug A.D., 19 95 at 3:50 o'clock P M., and duly recorded in Vol. M95
 of Mortgages on Page 23680

FEE \$20.00

Bernetha G. Leisch, County Clerk
 By *[Signature]*

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