

14845

CONDITIONAL ASSIGNMENT OF RENTS

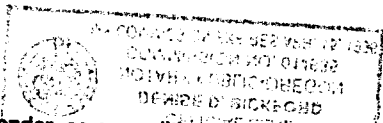
Vol. Map Page 7230

THIS AGREEMENT is made this 29th day of February, 1996, and is incorporated into and shall supplement the Mortgage or Deed of Trust (Security Instrument) of the same date given by the undersigned (Borrower) to secure Borrower's Note to KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION (Lender) of the same date and covering the property situated at (mortgaged premises):

2316 South Sixth Street, Klamath Falls, OR. 97601

and legally described as:

Please see attached Exhibit "A" for legal description.



Lender, as a condition to making said loan, has required the execution of this Conditional Assignment of Rents of the encumbered property.

In order to further secure payment of the indebtedness of Borrower to Lender and in consideration of making the loan, Borrower does hereby sell, assign, transfer and set over to Lender all rents, issues and profits from the mortgaged premises. This assignment is to become effective upon any default under the terms of the Security Instrument, and will remain in full force and effect so long as any default continues to exist.

Upon any default of the loan, the Borrower authorizes the Lender to enter upon the premises and to collect the rents then due as well as rents thereafter accruing and becoming payable during the period of continuance of any default and to take over and assume the management operation and maintenance of the mortgaged premises and to perform all acts necessary and proper to spend such sums out of the income of the mortgaged premises that may be necessary including the right to effect new leases, to cancel or surrender existing leases, to alter or amend the terms of existing leases or to make concessions to the tenants.

The Borrower agrees to facilitate in all reasonable ways, the collection of rents and upon request by Lender to execute a written notice to tenants directing the tenants to pay rent to the Lender. The Borrower releases all claims against the Lender arising out of such management, operation and maintenance of the premises.

The Lender shall, after payment of all proper charges and expenses and after the accumulation of a reserve account to meet taxes, assessments, and hazard insurance, credit the net amount of income received to any amounts due and owing to the Lender. The Lender shall not be accountable for more funds than it actually receives for the rent of the mortgaged premises and shall not be required to collect rents. Lender may however make reasonable efforts to collect rents, and shall determine the method of collection and extent of enforcement to collect delinquent rents.

In the event the Borrower reinstates the mortgage loan by complying with all terms, covenants, and conditions of the Security Instrument, the Lender shall, within one month after written demand, return possession of the property back to the Borrower.

The Borrower hereby covenants and warrants to the Lender that neither Borrower, nor any previous owner, has executed any prior assignment or pledge of the rents, nor any prior assignment or pledge of its interest in any lease of the mortgaged premises. The Borrower also covenants and agrees to not collect rents from the mortgaged premises in advance, other than as permitted by the terms of any rental agreement.

96 MAR 18 P 3:34

This assignment shall remain in full force and effect as long as the debt to Lender remains unpaid.

The provisions of this instrument shall be binding upon the Borrower, its successors or assigns, and upon the Lender and its successors or assigns. The word "Borrower" shall be construed to mean any one or more persons or parties who are holders of legal title or equity of redemption to or in the aforesaid mortgaged premises. The word "Note" shall be construed to mean the instrument given to evidence the indebtedness held by the Lender against the mortgaged premises; and "Security Instrument" shall be construed to mean the instrument held by the Lender securing the said indebtedness.

It is understood and agreed that a full reconveyance or Satisfaction of the Security Instrument shall constitute as a full and complete release of all Lender's rights and interests, and that after reconveyance, this instrument shall be cancelled.

Dated at Klamath Falls, Oregon, this 29th day of February, 1996.

ALCO, Inc. By:

Dianne E. Spires
Borrower Dianne E. Spires, President

Dianne E. Spires
Borrower Dianne E. Spires, Individual

A. Darrel Rusth
Borrower A. Darrel Rusth, Secretary

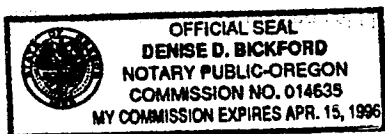
A. Darrel Rusth
Borrower A. Darrel Rusth, Individual

STATE OF OREGON)
COUNTY OF KLAMATH)

THIS CERTIFIES, that on this 29th day of February, 1996, before me, the undersigned, a Notary Public for said state, personally appeared the within named Dianne E. Spires and A. Darrel Rusth, Individually and as President and Secretary of ALCO, Inc.

known to me to be the identical individual(s) described in and who executed the within instrument and acknowledged to me that they 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.



Denise D. Bickford
Notary Public for the State of OREGON

My commission expires: 4-15-96

DESCRIPTION OF PROPERTY

Parcel 1: Beginning at an iron pin which marks the intersection of the present Southerly right of way line of South Sixth Street in the City of Klamath Falls, Oregon, with the West line of that certain parcel of land conveyed to Marshall E. Cornett, et ux., by Deed Recorded in Vol. 111 page 399, Deed records of Klamath County, Oregon, and running thence South $0^{\circ}03'45''$ West along the Westerly line of said Cornett Tract a distance of 147.93 feet to an iron pipe; thence North $34^{\circ}09'30''$ East a distance of 122.5 feet to an iron pin on the Southerly right of way line of South Sixth Street; thence North $55^{\circ}50'30''$ West along the Southerly right of way line of South Sixth Street, a distance of 82.93 feet, more or less, to the point of beginning, said tract being a portion of Tract 70 of Enterprise Tracts, Klamath County, Oregon, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.

Parcel 2: Beginning at an iron pin which marks the intersection of the present Southerly right of way line of South Sixth Street in the City of Klamath Falls, Oregon, with the West line of that certain parcel of land conveyed to Marshall E. Cornett et ux., by deed recorded on page 399 of Volume 111 of Deed records of Klamath County, Oregon, and running thence South $0^{\circ}03'45''$ West along the Westerly line of said Cornett Tract a distance of 117.83 feet to an iron pipe; thence North $89^{\circ}56'15''$ West a distance of 102.45 feet to an iron pipe; thence North $34^{\circ}09'30''$ East a distance of 155.1 feet to an iron pin on the Southerly right of way line of South Sixth Street, thence South $55^{\circ}50'30''$ East along the Southerly line of South Sixth Street, a distance of 18.82 feet, more or less, to the point of beginning, said tract being a portion of Tract 70 of Enterprise Tracts, in Klamath County, Oregon, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.

Parcel 3: Beginning at an iron pipe on the West line of the Cornett property which lies South $0^{\circ}03'45''$ West a distance of 117.83 feet from the iron pin which marks the intersection of the West line of that certain parcel of land conveyed to Marshall E. Cornett, et ux., by deed recorded on page 399 of Vol. 111 of Deed Records of Klamath County, Oregon, and the Southerly right of way line of the present South Sixth Street in the City of Klamath Falls, Oregon, and running thence: continuing South $0^{\circ}03'45''$ West along the West line of the Cornett property a distance of 60.0 feet to a $3/4''$ iron pipe; thence North $89^{\circ}56'15''$ West a distance of 270.5 feet to a 1" iron pipe which lies on the East line of an unnamed Street; thence North $0^{\circ}22'30''$ West along the East line of the unnamed Street a distance of 60.0 feet to a $5/8''$ iron pipe, which marks the Southwest corner of that certain tract deeded to Safeway Stores and recorded on page 156 of Vol. 140 of Deed records of Klamath County, Oregon; thence South $89^{\circ}56'15''$ East along the Southerly line of the above mentioned Safeway Stores tract a distance of 270.9 feet, more or less, to the point of beginning, being a portion of Tracts 70 and 75 of Enterprise Tracts, Klamath County, Oregon, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.

Parcel 4: Beginning at a point on the present Southwesterly right-of-way line of South Sixth Street which point bears S. $55^{\circ}50'30''$ E. a distance of 70.35 feet from the intersection of said Southwesterly right-of-way line with the North line of Section 4, Township 39 South, Range 9 E.W.M.; thence S. $89^{\circ}30'30''$ W. along a line parallel to and 10 feet South at right angles from the South line of Shasta Way, a distance of 21.27 feet to an iron pin; thence S. $34^{\circ}37'30''$ W. along the Southeasterly line of a 40 foot roadway a distance of 170.2 feet to a $3/4''$ iron pipe; thence S. $0^{\circ}22'30''$ E. along the Easterly line of said roadway, a distance of 81.5 feet to a $5/8''$ iron pipe which marks the Northwest corner of Parcel 3 described above; thence S. $89^{\circ}56'15''$ E. along the North line of said Parcel 3 described above, a distance of 168.45 feet to a $3/4''$ iron pipe

which marks the Southwesterly corner of Parcel 2 described above; thence N. $34^{\circ}09'30''$ E. along the Northwesterly line of Parcel 2 described above, a distance of 155.1 feet to an iron pin on the Southwesterly right-of-way line of South Sixth Street as presently located and constructed; thence N. $55^{\circ}50'30''$ W. along said right-of-way line, a distance of 166.86 feet, more or less, to the point of beginning.

Account No: 3909-4AB-100

Key No: 531080

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Company the 18th day of March A.D., 19 96 at 3:34 o'clock PM., and duly recorded in Vol. M96 of Mortgages on Page 7230.

FEE \$20.00

By Bernetha G. Letsch, County Clerk