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CONDITIONAL ASSIGNMENT OF RENTALS

ATC # 04044092

THIS AGREEMENT, entered into this 13 day of December, 1995, between

Aubrey Dale Harris and Ginger Lee Harris / Vernon D. Lowther and Pamela L. Lowther
Party of the First Docket

Party of the First Part (also hereinafter referred to as OWNER), and Ron H. Miller and Jackie *
 Oregon, (also hereinafter referred to as LENDER).

WITNESSETH:

WHEREAS, Party of the First Part is the present owner in fee simple of property briefly described as:

Lots 17 thru 24, Block 29, Second Addition to Klamath Falls, in the County of Klamath,
State of Oregon.

*L. Miller Trustees of the Miller Family Trust

and Party of the Second Part is the owner and holder of a first mortgage covering the said premises, which said mortgage is in the original principal sum of Eighty Seven Thousand Seven Hundred Fifty Dollars & no/100- (\$ 87,750.00) made by Aubrey Dale Harris and Ginger Lee Harris/ Vernon D. Lowther and Pamela L. Lowther under date of December, 19 95, and

WHEREAS, Party of the Second Part, as a condition to granting the aforesaid mortgage loan, has required the execution of this assignment of the rentals of the mortgaged premises by Party of the First Part:

NOW, THEREFORE, in order further to secure the payment of the indebtedness of Owner to Lender, and in consideration of the making of the loan represented by the aforesaid mortgage and the note secured hereby, and in further consideration of the sum of One Dollar paid by Lender to Owner, the receipt of which is hereby acknowledged, Owner does hereby sell, assign, transfer, and set over unto Lender all of the rents, issues and profits of the aforesaid mortgaged premises, this assignment to become operative upon any default being made by Owner under the terms of the aforesaid mortgage 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 mortgage or the note secured thereby.

1. In furtherance of the foregoing assignment, Owner hereby authorizes Lender, by 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 Owner or in its 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, Owner further agrees that he will facilitate in all reasonable ways Lender's collection of said rents, and will, upon request by Lender, execute a written notice to each tenant directing the tenant to pay rent to Lender.

2. Owner also hereby authorizes Lender upon such entry, 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 same manner and to the same extent as Owner therefore 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 renew existing leases, or to make concessions to tenants; Owner hereby releasing all claims against Lender arising out of such management, operation and maintenance, excepting the liability of Lender to account as hereinafter set forth.

3. Lender 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 Owner under the terms of mortgage 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 Lender. Lender shall not be accountable for more moneys than it actually receives from the mortgaged premises; nor shall it be liable for failure to collect rents. Lender 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 Owner shall reinstate the mortgage loan completely in good standing, having complied with all the terms, covenants and conditions of the said mortgage and the note secured thereby, then Lender 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 Lender may at its option again take possession of the mortgaged premises under authority of this instrument.

5. Owner hereby covenants and warrants to Lender that neither he nor any previous owner has executed any prior assignment or pledge of the rentals of the mortgaged premises, nor any prior assignment or pledge of his landlord's interest in any lease of the whole or any part of the mortgaged premises. 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 Lender of this assignment.

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

7. This assignment shall remain in full force and effect as long as the mortgage debit to Lender remains unpaid in whole or in part.

8. The provisions of this instrument shall be binding upon Owner and his or its legal representatives, successors or assigns and upon Lender 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 Lender against the mortgaged premises; and the word "Mortgage" shall be construed to mean the instrument securing the said indebtedness, owned and held by Lender, whether such instrument be mortgage, loan deed, trust deed, vendor's lien or otherwise.

It is understood and agreed that a full and complete release of the aforesaid mortgage shall operate as a full and complete release of all Lender's rights and interest hereunder, and that after said mortgage has been fully released this instrument shall be void and of no further effect.

IN WITNESS WHEREOF, party of the first part has executed this agreement in manner and form proper and sufficient in law.

Signed, sealed and delivered in the presence of:

Aubrey Dale Harris
Aubrey Dale Harris
Ginger Lee Harris
Ginger Lee Harris
Vernon D. Lowther
Vernon D. Lowther
Pamela L. Lowther
Parties of the First Part
Pamela L. Lowther

STATE OF Oregon, ss.
COUNTY OF Klamath

On this 13th day of December, 1995, personally appeared before me, a Notary Public within and for said County and State, the within-named

Aubrey D. Harris, Ginger L. Harris, Vernon D. Lowther, Pamela L. Lowther
personally known to me to be the individual described in and who executed the within instrument and They acknowledged to me that They executed the same freely and voluntarily for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal on this, the day and year first in this, my certificate, written.



(Notarial Seal)

Alice M. Gregory
Notary Public for the State of Oregon.
My commission expires 11-28-97

RE-77-73

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title the 18th day
of March A.D., 1996 at 3:37 o'clock P. M., and duly recorded in Vol. M96
of Mortgages on Page 7269

FEE \$15.00

Bernetha G. Letsch, County Clerk
By Cathy Russell