

96 JUL 12 P3:58

AMTC 38536-KR

CONDITIONAL ASSIGNMENT OF RENTS

21297

Vol. MA6 Page 20836

THIS AGREEMENT is made this 12th day of July, 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): 6747 South Sixth Street,

Klamath Falls, Oregon 97603

and legally described as:

Parcel 2 of Land Partition 11-95 situated in the SW1/4 SE1/4 and the NW1/4 SE1/4 of Section 1, Township 39 South, Range 1 East of the Willamette Meridian, Klamath County, Oregon. Account No: M-95-123 Key No: 878702

KLAMATH COUNTY CLERK
COMMISSION NO. 021831
JULY 12 1996
DENISE D. BICKFORD

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.

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

except when so amended by the terms of any loan agreement.

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 12th day of July, 1996.

BY: [Signature]
Borrower L. A. Swetland/President

BY: [Signature]
Borrower Cheryl G. Swetland/Secretary

PLEASE SEE ATTACHED SIGNATURE ADDENDUM MADE A PART HEREIN

Borrower

Borrower

STATE OF OREGON

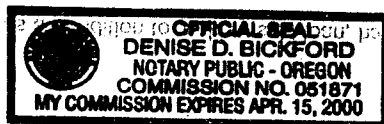
County of KLAMATH

COUNTY OF KLAMATH

THIS CERTIFIES, that on this 12th day of July, 1996, before me, the undersigned, a Notary Public for said state, personally appeared the within named:

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.



Notary Public for the State of Oregon

My commission expires: 4/15-2000

Klamath 1st Federal

SAVINGS AND LOAN ASSOCIATION

20838

540 Main Street, Klamath Falls, Oregon 97601-6066 — (503) 882-3444 • FAX (503) 884-9933

SIGNATURE ADDENDUM

Ottland Inc.

BY: [Signature]
L. A. Swetland/President

BY: [Signature]
Cheryl J. Swetland/Secretary

[Signature]
L.A. Swetland/Individual

[Signature]
James Radion Yacuk/Individual
BY: L. A. Swetland/Attorney in Fact

[Signature]
Eric Brian Swetland/Individual

[Signature]
John Frederick Swetland

BY: L.A. Swetland/Attorney in Fact BY: L.A. Swetland/Attorney in Fact

[Signature]
Jeffrey Charles Yacuk/Individual

[Signature]
L. A. Swetland/As Attorney in Fact For:
James Radion Yacuk
Eric Brian Swetland
John Frederick Swetland



090-04-16181

Conditional Assignment of Rents

STATE OF OREGON,

County of Klamath

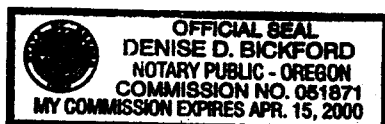
} ss.

FORM No. 23—ACKNOWLEDGMENT.
Stevens-Ness Law Publishing Co. NL
Portland, OR 97204 © 1992

BE IT REMEMBERED, That on this 12th day of July, 1996,
before me, the undersigned, a Notary Public in and for the State of Oregon, personally appeared the within
named L.A. Swetland, Jeffrey Charles Yacuk***

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 Oregon
My commission expires 4-15-2000

Conditional Assignment of Rents 090-04-16181

FORM No. 786—ACKNOWLEDGMENT, CORPORATION (ORS 194.505(2)).

COPYRIGHT 1992 STEVENS-NESS LAW PUBLISHING CO., PORTLAND, OR 97204

NL

STATE OF OREGON,

County of Klamath

} ss.

July 12, 1996, 19

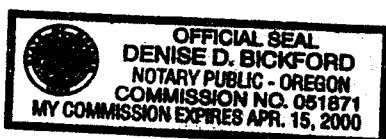
Personally appeared ****L.A. Swetland & Cheryl J. Swetland***
PRESIDENT SECRETARY

who, being duly sworn, stated and acknowledged that the foregoing instrument was executed on behalf of

*****Ottland, INC.*****

(Name of Corporation)

for the purposes stated therein; that the seal, if any, affixed to the instrument is the corporate seal of the corporation;
and that he/she/they signed the instrument with proper authority and as the voluntary act of the corporation.



Before me: Denise D. Bickford
Notary Public for Oregon
My commission expires: 4-15-2000

Conditional Assignment of Rents 090-04-16181

FORM No. 159—ACKNOWLEDGMENT BY ATTORNEY-IN-FACT.

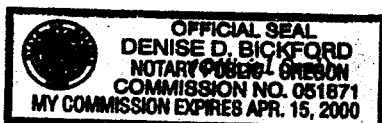
STATE OF OREGON,

County of KLAMATH

} ss.

On this the 12th day of July, 1996 personally appeared
L.A. Swetland

who, being duly sworn (or affirmed), did say that he is the attorney in fact for **James Radion Yacuk,
Eric Brian Swetland & John Frederick Swetland**** and
that he executed the foregoing instrument by authority of and in behalf of said principal; and he acknowl-
edged said instrument to be the act and deed of said principal.



Before me:

(Signature)

(Title of Officer)

Conditional Assignment of Rents

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Amerititle the 12th day
of July A.D., 19 96 at 3:58 o'clock P M., and duly recorded in Vol. M96
of Mortgages on Page 20836

FEE \$25.00

Bernetha G. Leisch, County Clerk
By Kathleen Rasmussen