

CONDITIONAL ASSIGNMENT OF RENTS

22978

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THIS AGREEMENT is made this 5th day of August, 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): 3226 Homedale #5 & #6, Klamath Falls, Oregon 97603 and legally described as:

See Attached Exhibit "A"

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.

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 5th day of August, 1996.

Diane E. Stevenson
Borrower Diane E. Stevenson

Borrower

Borrower

Borrower

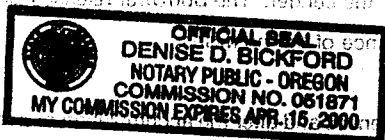
STATE OF OREGON

COUNTY OF KLAMATH

THIS CERTIFIES, that on this 5th day of August, 1996, before me, the undersigned, a Notary Public for said state, personally appeared the within named Diane E. Stevenson, a single person

known to me to be the identical individual(s) described in and who executed the within instrument and acknowledged to me that she 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: 4-15-2000

EXHIBIT "A"
LEGAL DESCRIPTION

24596

PARCEL 1:

A tract of land situated in Tract 2A "HOMEDALE" Subdivision in Section 11, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at a point located North 00 degrees 20' East a distance of 594.00 feet and North 74 degrees 37' West a distance of 118.64 feet from the Southeast corner of said Tract 2A; thence North 74 degrees 37' West a distance of 63.95 feet; thence North 24 degrees 38' 57" East a distance of 101.28 feet; thence South 65 degrees 21' 03" East a distance of 147.71 feet to a point on the East line of said Tract 2A, also being on the West boundary line of Homedale Road; thence South 00 degrees 20' West along the West boundary line of Homedale Road a distance of 13.17 feet; thence North 65 degrees 21' 03" West a distance of 90.03 feet; thence South 24 degrees 38' 57" West a distance of 78.97 feet to the point of beginning.

PARCEL 2:

A tract of land situated in Tract 2A "HOMEDALE" Subdivision in Section 11, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, being more particularly described as follows:

Beginning at a point located North 00 degrees 20' East a distance of 594.00 feet and North 74 degrees 37' West a distance of 118.64 feet from the Southeast corner of said Tract 2A; thence North 74 degrees 37' West a distance of 63.95 feet; thence North 24 degrees 38' 57" East a distance of 101.28 feet; thence South 65 degrees 21' 03" East a distance of 147.71 feet to a point on the East line of said Tract 2A to the true point of beginning, being on the West boundary line of Homedale Road; thence North 00 degrees 20' East along the West boundary of Homedale Road to a point lying South 00 degrees 20' West 92.88 feet from the Northeast corner of said Tract 2A, said point also being the Southeast corner of that certain parcel of land conveyed to Leonard A. Howell, Jr., et ux, by Volume M77, page 22556, Microfilm Records of Klamath County, Oregon, thence Northwesterly along the South line of said Deed Volume M77, page 22556, to the Southwest corner thereof; thence Southeasterly to the point of beginning.

Account No: 3909-011AB-00799

Key No: 548526

Account No: 3909-011AB-00900

Key No: 548571

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Amerititle the 9th day
of Aug A.D., 19 96 at 3:56 o'clock P M., and duly recorded in Vol. M96
of Mortgages on Page 24594
Bernetha G. Letach County Clerk
By [Signature]

FEE \$20.00

PAGE 5 OF REPORT NO. 38317-MS

PRELIMINARY REPORT

Form No. 1416

PRELIMINARY REPORT ONLY