

MIDLAND LOAN SERVICES, L.P.
(Assignor)

to

MIDLAND COMMERCIAL FINANCING CORP.
(Assignee)

ASSIGNMENT OF LOAN DOCUMENTS

Dated: October 21st, 1996

Location: Klamath Falls, Oregon

RECORD AND RETURN TO:

MIDLAND LOAN SERVICES, L.P.
210 West 10th Street
Kansas City, MO 64105
Attention: Midland Commercial Funding
Closing Department

Loan No.: 940903645

THIS ASSIGNMENT OF LOAN DOCUMENTS ("Assignment") is made as of October __, 1996, by MIDLAND LOAN SERVICES, L.P., a Missouri limited partnership ("Assignor") in favor of MIDLAND COMMERCIAL FINANCING CORP., a Missouri corporation ("Assignee").

WITNESSETH:

A. Assignor is the legal and equitable owner and holder of that certain Promissory Note dated October 21, 1996, made by Applegate Trail Apartments Limited Partnership, an Oregon limited partnership ("Borrower") in the original principal amount of \$1,100,000.00 (the "Note");

B. Assignor also is the legal and equitable owner and holder of certain instruments securing the Note, including without limitation the following:

(1) the Trust Deed, Security Agreement and Assignment of Leases and Rents (the "Mortgage") dated October 21, 1996, executed by Borrower for the benefit of Assignor, filed for record October 22, 1996, in the Recorder's Office of ~~the~~ KLAMATH County, State of Oregon (the "Recorder's Office") as Document No. 27160 and recorded in Volume M96, Page 333A, encumbering certain improved real property (the "Mortgaged Property") situated in said County as more particularly described on Exhibit A attached hereto and made a part hereof; and

(2) the Assignment of Leases and Rents (the "Assignment of Leases") dated October 21, 1996, executed by Borrower in favor of Assignor, filed for record October 22, 1996, in the Recorder's Office as Document No. 27161 and recorded in Volume M96, Page 334A

C. Assignor and Assignee desire that the Mortgage, the Assignment of Leases, the Note, the Other Security Documents (as defined in the Mortgage), the Environmental Indemnity Agreement dated as of even date herewith executed by Borrower in favor of Assignor (the "Indemnity"), and all other documents executed in connection with the Loan (including, without limitation, any guaranties of the Loan) (all such documents being collectively referred to herein as the "Loan Documents") be assigned to Assignee.

D. Assignor has simultaneously herewith endorsed the Note to Assignee.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged:

1. Assignor does hereby sell, assign, grant, transfer, set over and convey to Assignee, its successors and assigns, all of the Loan Documents (and all of Assignor's right, title and interest therein), including without limitation, the Mortgage, the Assignment of Leases, the Note, the Indemnity, the Other Security Documents and all other Loan Documents.

2. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

3. This Assignment shall be governed by and construed in accordance with the laws of the State of Oregon.

IN WITNESS WHEREOF, the undersigned has executed this Assignment of Loan Documents to be effective as of the day and year first above mentioned.

ASSIGNOR

MIDLAND LOAN SERVICES, L.P.
a Missouri limited partnership

By: Midland Data Systems, Inc.,
a Missouri corporation, its sole
General Partner

By: 

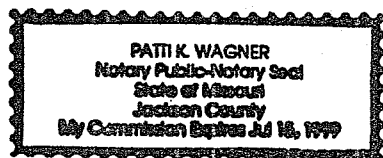
Clarence A. Krantz, Sr. Vice President
[Printed Name and Title]

ACKNOWLEDGMENT

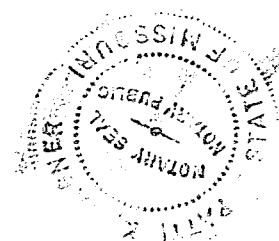
STATE OF Missouri)
) ss.
 COUNTY OF Jackson)

On this 18th day of October, 1996, before me, the undersigned, a Notary Public in and for the State of Missouri, duly commissioned and sworn, personally appeared Clarence A. Kantz to me known to be the Senior Vice President of Midland Data Systems, Inc., the corporation to me known to be the general partner of Midland Loan Services, L.P., the limited partnership that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation and said limited partnership, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument and that the seal affixed is the corporate seal of the corporation.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.



Patti K. Wagner
Patti K. Wagner
 (type or print name)
 Notary Public in and for the State of
Missouri
 My commission expires: July 15, 1999



LEGAL DESCRIPTION

A tract of land situated in the Southwest quarter of Section 11, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the initial point on the South right of way line of Bristol Avenue, from which the Northwest corner of Tract No. 1026 bears North 89°32'55" East 520.00 feet and S-N-S 1/256 corner bears South 89°38' West 916.15 feet and North 30.00 feet by Deed; thence North 89°32'55" East along said right of way, 260.00 feet, to the Northwest corner of that tract of land described in Volume M87, Page 14676, Microfilm Records of Klamath County, Oregon; thence, along the boundaries of said tract and that tract described in Volume M96, Page 19616, Microfilm Records of Klamath County, Oregon, South 00°27'05" East 295.00 feet and North 89°32'55" East 150.00 feet; thence South 00°27'05" East 120.00 feet; thence North 89°32'55" East 126.30 feet, to the Westerly boundary of Tract 1026 - THE MEADOWS, a duly recorded subdivision; thence along said boundary South 22°42'12" East 79.24 feet and South 37°56'58" East 89.06 feet; thence along the Northerly right of way line of the U.S.B.R. 1-C-3-B Drain, South 47°42'00" West 152.16 feet; thence along the Northerly right of way of the U.S.B.R. F-7 (A-3-C) Lateral, North 59°30'00" West 811.30 feet to the Westerly line of that property described in Deed Volume 284, Page 485, Deed Records of Klamath County, Oregon; thence following said Westerly line; North 00°27'05" West 61.45 feet, North 67°54'55" East 202.89 feet and North 00°27'05" West 107.00 feet to the point of beginning.

TOGETHER WITH an easement as evidenced by Warranty Deed dated June 14, 1976, recorded June 28, 1976, in volume M76, Page 9724, Microfilm Records of Klamath County, Oregon, and an easement as evidenced by Warranty Deed dated November 6, 1978, recorded November 20, 1978, in Volume M78, Page 26188, Microfilm Records of Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Ameri title the 22nd day
of Oct. A.D. 19 96 at 1:07 o'clock P. M., and duly recorded in Vol. M96
of Mortgages on Page 33447.

FEE \$30.00

Bernetha G. Letsch County Clerk
By Kathleen Ross