

97 FEB 18 P3:49



ATC NO. 05045847

ASPEN TITLE ESCROW NO.

CONDITIONAL ASSIGNMENT OF RENTS

THIS AGREEMENT is made this 10th day of February, 1997, and is incorporated into and shall supplement the Mortgage or Deed of Trust (Security Instrument) of the same date given by the undersigned RODNEY D. MILLER and KELLY A. MILLER to secure Borrower's Note to VERNON G. LUDWIG and OFELIA LUDWIG of the same date and covering the property situated at 927 ADDISON STREET, KLAMATH FALLS, OR and legally described as follows: Please 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 property 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 to 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 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 interest, and that after reconveyance, this instrument shall be cancelled.

Dated this 10th day of February, 1997.



RODNEY D. MILLER



KELLY A. MILLER

STATE OF Oregon, County of Klamath)ss.

On February 13, 1997 personally appeared RODNEY D. MILLER and KELLY A. MILLER and acknowledged the foregoing instrument to be their voluntary act and deed.



Notary Public for Oregon

My Commission Expires: August 15, 2000.

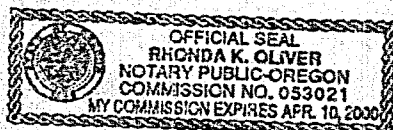


EXHIBIT "A"

PARCEL 1:

A portion of Lots 1, 13 and 14, Block 76, BUENA VISTA ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at a point on the Southeasterly line of Lot 14, Block 76, BUENA VISTA ADDITION TO THE CITY OF KLAMATH FALLS, which is North 55 degrees 38' East, 143 feet from the most Southerly corner of said lot; thence North 35 degrees 11' West, 66.45 feet; thence South 47 degrees 32' West, 11.6 feet; thence South 45 degrees 38' East, 1.79 feet; thence South 41 degrees 27' West, 29.85 feet; thence North 66 degrees 23' West, 19.63 feet to a point on the line between Lots 13 and 14 of said Block 76, which is North 48 degrees 10' East, 98 feet from the common corner of said Lots 13 and 14 on the Northeasterly line of Oregon Avenue; thence North 43 degrees 19' West, 38.6 feet; thence North 45 degrees 35' West, 30 feet, (the last two courses being chords of a curve parallel to Oregon Avenue), to a point on the line between Lots 12 and 13 of said Block 76, which is North 43 degrees 10' East, 98 feet from the common corner of said Lots 12 and 13 on the Northeasterly line of Oregon Avenue; thence North 43 degrees 10' East, 44.6 feet, along the line between said Lots 12 and 13, to the common corner of said Lots on the Southwesterly line of Lot 4 of said Block 76; thence South 51 degrees 42' East, 18.53 feet, along the line between said Lots 4 and 13, to the most Southerly corner of said Lot 4; which point is also, the most Westerly corner of Lot 1 of said Block; thence North 43 degrees 28' East, 34.93 feet, along the line between said Lots 1 and 4, to the most Northerly corner of said Lot 1, which point is also, the most Westerly corner of Lot 2 of said Block; thence South 46 degrees 32' East, 19 feet, along the line between said Lots 1 and 2; thence South 4 degrees 20' East, 28.5 feet; thence South 33 degrees 59' East, 78.1 feet; thence South 34 degrees 38' East, 18.8 feet, to a point on the Southeasterly line of said Lot 14, which is North 55 degrees 38' East, 153.5 feet from the most Southerly corner of said Lot 14; thence South 55 degrees 38' West, 10.5 feet, along the Southeasterly line of said Lot 14, to the point of beginning.

Continued on next page

EXHIBIT "A" CONTINUED

PARCEL 2:

A portion of Lots 1 and 14, Block 76, BUENA VISTA ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at a point on the Southeasterly line of Lot 14, Block 76, BUENA VISTA ADDITION TO THE CITY OF KLAMATH FALLS, which is North 55 degrees 38' East, 153.5 feet from the most Southerly corner of said lot; thence North 55 degrees 38' East, 39.48 feet, along the Southeasterly line of Lot 14 and 1 of said Block 76, to the most Easterly corner of said Lot 1, which point is also the most Southerly corner of Lot 2 of said block; thence North 46 degrees 32' West, along the line between said Lots 1 and 2, to a point which is 19 feet from the most Northerly corner of said Lot 1; thence South 4 degrees 20' East, 28.5 feet; thence South 33 degrees 59' East, 78.1 feet; thence South 34 degrees 38' East, 18.8 feet to the point of beginning.

CODE 1 MAP 3809-29BD TL 5700

STATE OF OREGON : COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 18th day
of February A.D., 1997 at 3:49 o'clock P. M., and duly recorded in Vol. M97
of Mortgages on Page 4843

Bernetha G. Letsch, County Clerk

FEE \$25.00

by Kathleen Lisa