

AFTER RECORDING RETURN TO:

MAINLANDER SERVICES CORPORATION  
PO BOX 661  
PORTLAND, OREGON 97207

MSC LOAN #0468

ATE 05046354  
**ASSIGNMENT OF RENTALS**

THIS ASSIGNMENT OF RENTALS ("Assignment") is from Brent R. Budden ("Borrower") to Mainlander Services Corporation, an Oregon corporation ("Lender"), having its principal office in Portland, Oregon.

WITNESSETH:

WHEREAS, Borrower is borrowing funds from Lender to refinance three parcels of real property located in the County of Klamath, State of Oregon, more fully described on Exhibit A attached hereto (the Properties);

WHEREAS, Lender is the owner and holder of a Trust Deed covering the Properties, which Trust Deed secures an obligation in the original principal amount of \$237,500.00, are executed by Borrower and dated this same date and are recorded in the real property records of Klamath County, Oregon;

WHEREAS, Lender, as a condition to granting the aforesaid loan secured by the Trust Deed, has required the execution of this Assignment by the Borrower.

NOW, THEREFORE, in order further to secure the payment of the indebtedness of Borrower to Lender, and in consideration of the making of the loan represented by the aforesaid Trust Deed and the Note secured thereby, Borrower does hereby sell, assign, transfer, and set over unto Lender all of the rents, issues and profits of the Properties.

1. In furtherance of the foregoing assignment, Borrower hereby authorizes Lender, by its employees or agents, at its option, after the occurrence of a default, to enter upon any one or all of the Properties and to collect in the name of Borrower 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, Borrower further agrees that it 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. Borrower also hereby authorizes Lender upon such entry, at its option, to take over and assume the management, operation and maintenance of all or any one of the Properties and to perform all acts necessary and proper and to expend such sums as may, in the sole discretion of the Lender, be needed in connection therewith, in the same manner and to the same extent as Borrower might do, 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 tenants; Borrower 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 itself or such managing agent as it shall select and employ, and after the accumulation of a reserve to meet taxes, assessments and fire and liability insurance in requisite amounts (where permitted by law), credit the net amount of income received by it from such Properties by virtue of this Assignment, to any amounts due and owing to it by Borrower under the terms of the Trust Deed 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 monies than it actually received from the Properties; nor shall it be accountable for any minimum level of 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. Borrower hereby covenants and warrants to Lender that it has not executed any prior assignment or pledge of the landlord's interest in any lease of the whole or any part of the Properties. Borrower also hereby covenants and agrees not to collect the rents of any of the said Properties 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 will destroy or impair the benefits to Lender of this Assignment.

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

6. This Assignment shall remain in full force and effect as long as the mortgaged debt to Lender remains unpaid in whole or in part.

7. The provisions of this instrument shall be binding upon Borrower and its legal representatives, successors or assigns. All rights of the Lender shall inure to the benefit of its successors and assigns. The word "Borrower" 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 either of the Properties.

IN WITNESS WHEREOF, Borrower has executed this Assignment as of the 9th day of June, 1997.

BORROWER:

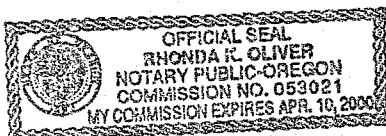
By: Brent R. Budden  
Brent R. Budden

STATE OF OREGON )

) ss.

County of Klamath

This instrument was acknowledged before me on the 11th day of June, 1997 by  
Brent R. Budden.



Rhonda R. Oliver  
NOTARY PUBLIC for Oregon

My commission expires: 4/10/2000

## EXHIBIT "A"

## PARCEL 1:

Lots 22 and 23, Block 18, SECOND RAILROAD ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon. EXCEPT the Northerly 15 feet of said Lot 23.

CODE 1 MAP 3809-33CB TL 1800

## PARCEL 2:

Lots 28, 29, 30 and the North 10 feet of Lot 27, Block 18, SECOND ADDITION TO RAILROAD ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.

CODE 1 MAP 3809-33CB TL 8800

CODE 1 MAP 3809-33CB TL 1400

CODE 1 MAP 3809-33CB TL 1300

CODE 1 MAP 3809-33CB TL 1200

## PARCEL 3:

A tract of land situated in the NE 1/4 of Section 15, Township 38 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows: Parcel 1 of Minor Land Partition 9-90.

EXCEPTING the following described tract: Beginning at the most Westerly corner of Lot 3, Block 1, TANGLEWOOD-TRACT 1225; thence along the boundary of said Tract 1225, on a curve to the right (radius point bears South 15 degrees 54' 46" West 175.00 feet and central angle equals 38 degrees 51' 36") 118.69 feet, on a curve to the left (radius point bears North 54 degrees 46' 22" East 20.00 feet, central angle equals 76 degrees 49' 54") 26.82 feet, on a curve to the left (radius point bears South 22 degrees 03' 32" East 225.00 feet and central angle equals 14 degrees 47' 21") 58.08 feet, South 53 degrees 09' 07" West 27.41 feet, on a curve to the left (radius point bears North 36 degrees 50' 53" West 20.00 feet and central angle equals 91 degrees 25' 19") 31.91 feet, on a curve to the left (radius point bears South 51 degrees 43' 48" West 125.00 feet and central angle equals 49 degrees 19' 25") 107.61 feet; thence North 44 degrees 33' 10" East 60.91 feet to the point of beginning with bearings based on said Tract 1225.

CODE 183 MAP 3809-15AO TL 301

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 11th day of June A.D., 19 97 at 3:29 o'clock P. M., and duly recorded in Vol. M97 of Mortgages on Page 17961.

FEE \$25.00

By Bernetha G. Leisch County Clerk  
K. Leisch