

ASPEN TITLE ESCROW NO. 01049539

CONDITIONAL ASSIGNMENT OF RENTS

THIS DOCUMENT IS BEING RE-RECORDED TO ATTACH LEGAL.

THIS AGREEMENT is made this 10th day of May, 1999, and is incorporated into and shall be a supplement to the Trust Deed (Security Instrument) of the same date given by the undersigned, Western Homes, Inc., an Oregon corporation, to secure Borrower's Note to CitiCapital Corp. Defined Benefit Pension Plan and Trust, and covering the real property legally described on Exhibit "A" attached hereto and by this reference made a part hereof as though fully set forth herein.

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.

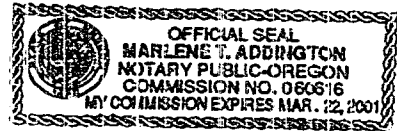
The provisions of this instrument shall be binding upon the

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.

WESTERN HOMES, INC., an Oregon Corporation

BY: *Cathy King*  
(authorized officer)



STATE OF Oregon, County of Klamath)ss.

On May 14, 1999, personally appeared *Cathy King*  
as President of Western Homes, Inc.

*Marlene T. Addington*  
Notary Public for Oregon  
My Commission Expires: March 22, 2001

State of Oregon, County of Klamath  
Recorded 5/14/99, at 3:42 PM  
at the referenced page, Vol. M99  
Linda Smith, County Clerk  
Fee \$ 15

*Linda Smith*

## EXHIBIT "A"

All that portion of Government Lots 13 and 14, Section 34, Township 34 South, Range 7 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at the South one-quarter corner of said Section 34; thence North 89 degrees 54' 15" West along the South line of said Section 34, 511.45 feet to the Southeast corner of that property recorded in Volume M-75 at Page 1124, of the official Deed Records of Klamath County, Oregon; thence North along the East boundary of said parcel 107.00 feet to a 5/8" iron pin, witness corner; thence continuing North 55.0 feet, more or less, to the high water line of the Williamson River; thence Northeasterly along said high water line to a point North of the point of beginning; thence South 3.0 feet, more or less, to a 5/8" iron pin witness corner; thence continuing South 561.04 feet to the point of beginning.

CODE 12 MAP 3407-34CD TL 9200

State of Oregon, County of Klamath  
Recorded 5/17/99, at 11:22 AM  
at the referenced page, Vol. M99 -  
Linda Smith, County Clerk 19478  
Fee \$ 15 RE-RECORD

*Linda Smith*