2010-009610 Klamath County, Oregon

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Fee: \$57.00

Son Shelter Properties, Inc., Grantor

Lincoln Trust Company fbo the Bruce A Nelson IRA, 69.31% undivided interest and Equity Trust Company, Custodian FBO of the David Driver IRA, 30.69% undivided interest, Beneficiary

After recording return to:

Fairfield Financial Services, Inc. 16055 SW Walker Rd. #247 Beaverton, OR 97006

ASSIGNMENT OF LEASES, RENTS, ISSUES, AND PROFITS - Nelson et al. to Son Shelter (7/27/10)

WHEREAS, Son Shelter Properties, Inc. (hereinafter "Grantor") executed a Promissory Note and Trust Deed in favor of Lincoln Trust Company fbo the Bruce A Nelson IRA, 69.31% undivided interest and Equity Trust Company, Custodian FBO of the David Driver IRA, 30.69% undivided interest (hereinafter "Beneficiary") in the amount of ONE HUNDRED ONE THOUSAND DOLLARS (\$101,000) dated August 10, 2010; and

WHEREAS, the property serving as security is described in the attached Exhibit "A";

WHEREAS, it is the intent of the parties for this Assignment to supersede any provisions of the Trust Deed pertaining to assignment of leases, rents, issues and profits;

IT IS HEREBY AGREED:

1. Assignment. Grantor assigns and transfers to Beneficiary (1) all leases, subleases, licenses, rental contracts, and other agreements, whether now existing or hereafter arising, and relating to the occupancy or use of all or any portion of the Trust Property, including all modifications, extensions, and renewals thereof (the "Leases"), and (2) all rents, revenues, issues, profits, income, proceeds, and benefits derived from the Trust Property and the lease, rental, or license of all or any portion thereof, including but not limited to lease and security deposits (collectively, the "Rents"). This Assignment is intended by Grantor and Beneficiary to create a present and unconditional assignment to Beneficiary, subject only to the license set forth in Section 4 below.

Page 1 - Assignment of Rents

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- 2. Rights of Beneficiary. Subject to the provisions of Section 4 below giving Grantor a revocable, limited license, Beneficiary shall have the right, power, and authority to:
- a. Notify any and all tenants, renters, licensees, and other obligors under any of the Leases that the same have been assigned to Beneficiary and that all Rents are to be paid directly to Beneficiary, whether or not Beneficiary shall have foreclosed or commenced foreclosure proceedings against the Trust Property, and whether or not Beneficiary has taken possession of the Trust Property;
- b. Discount, settle, compromise, release, or extend the time for payment of, any amounts owing under any of the Leases and any Rents, in whole or in part, on terms acceptable to Beneficiary;
- c. Collect and enforce payment of Rents and all provisions of the Leases, and to prosecute any action or proceeding, in the name of Grantor or Beneficiary, with respect to any and all Leases and Rents; and
- d. Exercise any and all other rights and remedies of the lessor in connection with any of the Leases and Rents.
- 3. Application of Receipts. Beneficiary shall have the right, power, and authority to use and apply any Rents received under this Assignment (1) for the payment of any and all costs and expenses incurred in connection with enforcing or defending the terms of this Assignment or the rights of Beneficiary, and in collecting any Rents; and (2) for the operation and maintenance of the Trust Property and the payment of all costs and expenses in connection therewith, including but not limited to the payment of utilities, taxes, assessments, governmental charges, and insurance. After the payment of all such costs and expenses, and after Beneficiary shall have set up such reserves as it shall deem necessary in its sole discretion for the proper management of the Trust Property, Beneficiary shall apply all remaining Rents collected and received by it to the reduction of the Obligations in such order as Beneficiary shall determine. The exercise or failure by Beneficiary to exercise any of the rights or powers granted in this Assignment shall not constitute a waiver of any default by Grantor under this Assignment, the Promissory Note, Trust Deeds, Construction Disbursement Agreement or Indemnity Agreement.
- 4. License. Beneficiary hereby grants to Grantor a revocable license to collect and receive the Rents. Such license may be revoked by Beneficiary, upon written notice to Grantor of the event of default under the Promissory Note, Trust Deeds, Construction Disbursement Agreement or Indemnity Agreement, and allowing Grantor ten (10) days to cure said default. Unless and until such license is revoked, Grantor agrees to apply the proceeds of Rents to the payment of the Obligations and to the payment of taxes, assessments, governmental charges, insurance premiums, and other obligations in connection with the Trust Property, and to the maintenance of the Trust Property, before using such proceeds for any other purpose. Grantor agrees to

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- (1) observe and perform every obligation of Grantor under the Leases; (2) enforce or secure at its expense the performance of every obligation to be performed by any lessee or other party under the Leases; (3) promptly give notice to Beneficiary of any default by any such lessee or other party under any of the Leases, and promptly provide Beneficiary a copy of any notice of default given to any such lessee or other party; (4) not collect any Rents more than 30 days in advance of the time when the same shall become due, or anticipate any other payments under the Leases, except for bona fide security deposits not in excess of an amount equal to two months' rent; (5) not further assign or hypothecate any of the Leases or Rents; (6) except with Beneficiary's prior written consent, not waive, release, or in any other manner discharge any lessee or other party from any of its obligations under any of the Leases: (7) except with Beneficiary's prior written consent, not modify or amend any of the Leases; (8) except with Beneficiary's prior written consent, not cancel, terminate, or accept surrender of any of the Leases unless Grantor has entered into a Lease for the space to be vacated on terms at least as favorable to Grantor, commencing within 30 days after such cancellation, termination, or surrender; (9) obtain Beneficiary's prior written approval as to the form and content of all future leases and any modifications of any present or future leases; (10) deliver copies of all present and future leases to Beneficiary promptly; and (11) appear in and defend, at Grantor's sole cost and expense, any action or proceeding arising out of or in connection with the Leases or the Rents.
- 5. Limitation of Beneficiary's Obligations. Notwithstanding the assignment provided for, Beneficiary shall not be obligated to perform or discharge, and Beneficiary does not undertake to perform or discharge, any obligation or liability with respect to the Leases or the Rents. This Assignment shall not operate to place responsibility for the control, care, maintenance, or repair of the Trust Property upon Beneficiary, or to make Beneficiary responsible for any condition of the Property. Beneficiary shall be accountable to Grantor only for the sums actually collected and received by Beneficiary pursuant to this Assignment. Grantor shall hold Beneficiary fully harmless from, indemnify Beneficiary for, and defend Beneficiary against any and all claims, demands, liabilities, losses, damages, and expenses, including attorney fees, arising out of any of the Leases, with respect to any of the Rents, or in connection with any claim that may be asserted against Beneficiary on account of this Assignment or any obligation or undertaking alleged to arise therefrom.
- 6. Termination. The assignment provided for shall continue in full force and effect until all of the Obligations of the Promissory Note, Trust Deeds, Construction Disbursement Agreement and Indemnity Agreement have been fully paid and satisfied. At such time, this Assignment and the authority and powers herein granted by Grantor to Beneficiary shall cease and terminate.

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Attorney-in-Fact. Grantor irrevocably constitutes and appoints Beneficiary, and each of its officers, as its true and lawful attorney-in-fact, with power of substitution, to undertake and execute any and all of the rights, powers, and authorities described herein with the same force and effect as if undertaken or performed by Grantor, and Grantor ratifies and confirms any and all such actions that may be taken or omitted to be taken by Beneficiary, its employees, agents, and attorneys. Son Shelter Properties, Inc. By Warchart 8/10/10
David E. Marchant, Shareholder and Director DATE STATE OF OFEGON, County of Multnomah) ss. This instrument was acknowledged before me on August 10, 2010 by David E. Marchant. May 1) abblitheir for Multnoman County OFFICIAL SEAL **GAILA MAY DOBBERTHIEN** Notary Public for NOTARY PUBLIC - OREGON My Commission Expires: 11-28-2013 COMMISSION NO. 443171 MY COMMISSION EXPIRES NOV. 28, 2013 Son Shelter Properties, Inc. STATE OF OREGON, County of Multnomah) ss. This instrument was acknowledged before me on August 10, 2010 by Donna M. Marchant. Notary Public for Muthoma h Counts OFFICIAL SEAL GAILA MAY DOBBERTHIEN **NOTARY PUBLIC - OREGON** My Commission Expires: 11-28-9013 COMMISSION NO. 443171

MY COMMISSION EXPIRES NOV. 28, 2013

EXHIBIT A

LEGAL DESCRIPTION: Real property in the County of Klamath, State of Oregon, described as follows:

LOT 8 AND THE NORTHEASTERLY 26.1 FEET OF LOT 7 IN BLOCK 9 OF FIRST ADDITION TO THE CITY OF KLAMATH FALLS, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.