

K 33310

ASSIGNMENT OF LEASE AND CONSENT OF LANDLORD

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86829

Date: 21 APRIL 1980

The Parties to this Assignment are:

FREDERICK D. EHLERS, "Landlord"  
LTS CORPORATION, "Tenant"

and SMALL BUSINESS ADMINISTRATION, an agency of the United States, "SBA"

Landlord and Tenant have entered into a lease (the "Lease") dated 28 DEC 1979, covering the premises located at 2838 SOUTH SIXTH STREET, KLAMATH FALLS OREGON (the "Premises"). SBA is making a Loan directly to Tenant, or to a borrower affiliated with or owned by Tenant (the "Loan"). Both Landlord and Tenant acknowledge that the Loan will benefit both Landlord and Tenant, and that SBA would not make the Loan if it did not receive this Assignment.

1. Assignment of Lease. In consideration of the Loan and for other valuable consideration, the receipt of which is hereby acknowledged, Tenant assigns to SBA all of Tenant's rights in the Lease, as partial security for the Loan. The parties intend that this assignment will be a present transfer to SBA of all of Tenant's rights under the Lease, subject to Tenant's rights to use the Premises and enjoy the benefits of the Loan while not in default on the Loan or Lease. Upon full performance by Tenant under the Loan, this assignment shall be ended, without the necessity of any further action by any of the parties.

2. Consent of Landlord. Landlord consents to the above assignment and also to any reassignment by SBA in the event Tenant defaults under the Loan or the Lease. However, so long as SBA has not entered the Premises for the purpose of operating a business, SBA will have no liability under the Lease, including without limitation liability for rent. Whether or not SBA enters into possession of the Premises for any purpose, Tenant will remain fully liable for all obligations of Tenant as lessee under the Lease. While SBA is in possession of the Premises, SBA will cause all payments due under the Lease and attributable to that period of time to be made to Landlord. If SBA later reassigns the Lease or abandons the Premises, SBA will have no further obligation to Landlord.

Landlord agrees not to terminate the Lease, despite default by Tenant, without giving SBA at least 60 days prior written notice of the default and an opportunity to cure the default. If the default is one that cannot reasonably be cured by SBA (such as insolvency, bankruptcy, or other judicial proceedings against Tenant), then Landlord will not terminate the Lease so long as Landlord receives all sums due under the Lease for the period during which SBA is in possession of the Premises, or so long as SBA reassigns the Lease to a new lessee reasonably satisfactory to Landlord.

Landlord agrees that the personal property on the Premises, in which SBA has a security interest, is severable and may be removed without further consent from Landlord in the event Tenant defaults under the Loan or the Lease. Any liens which Landlord may have against the personal property will be subordinate to the security interest of the SBA in the personal property.

3. Signatures and Agreement. The parties agree to the terms of this Assignment as of the date first above written.

LANDLORD:

*[Signature of Frederick D. Ehlers]*

TENANT:

*[Signature of R.A. Thompson]*

Return  
FIC, Inc  
P.O. Box 428  
Longview, Washington  
98632

State of Washington, County of Clark  
Notary Commission Expires 11-13-83  
Barbara T. Given

*[Signature of Barbara T. Given]*

4112 N.E. 106th Avenue in Vancouver  
(The above noted signatures were  
verified by Notary of Record)

4-24-80

STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 14th day of July A.D., 19 80 at 11:04 o'clock A.M., and duly recorded in Vol M80 of Deeds on Page 12956.

FEE \$3.50

WM. D. MILNE, County Clerk

By *[Signature of Bernetha Adelsch]* Deputy