

MTA 1396-675
ASSIGNMENT OF LEASE

THIS ASSIGNMENT OF LEASE, made this 14 day of February, 1986, between BLT ENTERPRISES, INC., an Oregon Corporation, hereinafter called "Assignor," and WALT STALLCUP ENTERPRISES, INC., an Idaho Corporation qualified to do business in the State of Oregon, hereinafter called "Assignee;"

WITNESSETH:

WHEREAS, Assignor (as Seller) and Assignee (as Buyer) have entered into a Business Assets Purchase Agreement dated February 14, 1986, pursuant to the terms of which the Assignee is purchasing from the Assignor certain business assets as defined therein, a part of which is Assignor's interest as Lessee or Sublessee of certain leases; and

WHEREAS, Assignor is the owner of the lessee's interest in and to that certain lease described on "Exhibit A" attached hereto and made a part hereof ("Subject Lease"), and pursuant to the aforesaid Agreement, now agrees to assign said interest to Assignee.

NOW, THEREFORE, IN CONSIDERATION OF the mutual promises and undertakings of the parties as more particularly contained in the Business Assets Purchase Agreement dated February 14, 1986, Assignor hereby sells, transfers, assigns and sets over unto Assignee all right, title and interest of Assignor in and to the Subject Lease described on Exhibit A, together with all right, title and interest of the Assignor in and to the leasehold estate in the real property covered by and described therein.

1. Assignor represents and warrants to and with Assignee as follows:

- (a) That Assignor has fully performed all terms required of it pursuant to the Subject Lease;

- (b) That the Subject Lease is not now in default by either the Lessor or the Assignor;

- (c) That Assignor has paid all rents due under the Subject Lease prior to the date hereof and will pay all rents accrued during the term of the Subject Lease to the date hereof when the same become due;

- (d) That the Subject Lease is not modified or amended unless in a writing and a copy of which has been delivered to the Assignee;

- (e) That no party to the Subject Lease has any claim, defense or set-off against the other party arising from the terms and covenants contained in the Subject Lease; and

- (f) That any consent(s) to this assignment required under the terms of the Subject Lease have been obtained by the Assignor.

2. Assignee shall assume and pay all rent or other obligations, perform all other obligations of the lease of the Subject Lease, and be bound by the terms of the Subject Lease from and after the close of escrow of the transaction described in the Business Assets Purchase Agreement above mentioned. Assignee shall hold Seller free and harmless therefrom, indemnifying Assignor against any loss arising therefrom whatsoever, including, but not limited to attorney's fees incurred in any dispute with landlord and whether at trial or on appeal.

3. This Assignment is made by the Assignor to the Assignee subject to all prior liens, encumbrances and other interests which constitute interests senior to the leasehold estate of the Assignor at the date of the assignment of the Subject Lease.

4. This Assignment shall inure to and shall be binding upon the successors and assigns of the parties hereto, provided, however, that Assignee's right of assignment shall be restricted and shall be limited by the terms of Section 23.01 of the Business Assets Purchase Agreement above mentioned.

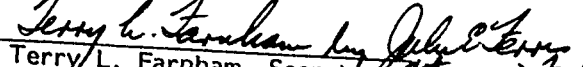

5. All representations, warranties and covenants herein shall survive the closing of escrow.

IN WITNESS WHEREOF, the parties have hereunto executed this Assignment as of the date and year first above written.

ASSIGNOR:


B.L.T. ENTERPRISES, INC.

By 
Lloyd A. Thompson, President

By 
Terry L. Farnham, Secretary 
John C. Evans, Attorney in Fact

ASSIGNEE:

WALT STALLCUP ENTERPRISES, INC.

By 
Walter B. Stallcup, President

STATE OF OREGON)
) ss.
 County of Jackson)

On this 14th day of February, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared LLOYD Y. THOMPSON and ~~TERRY L. FARNHAM~~, known to me to be the President and ~~Secretary~~, respectively, of B.L.T. ENTERPRISES, INC., an Oregon Corporation, the Corporation that executed the foregoing instrument or the person who executed the instrument on behalf of said Corporation, and acknowledged to me that such Corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

R.J. Tank
 Notary Public for Oregon
 Residing at Medford
 My commission expires 11-18-89

STATE OF OREGON)
) ss.
 County of Jackson)

On this 14th day of February, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared WALTER B. STALLCUP, known to me to be the President of WALT STALLCUP ENTERPRISES, INC., an Idaho Corporation qualified to do business in Oregon, the Corporation that executed the foregoing instrument or the person who executed the instrument on behalf of said Corporation, and acknowledged to me that such Corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

R.J. Tank
 Notary Public for Oregon
 Residing at Medford
 My commission expires 11-18-89

STATE OF OREGON)
) ss.
County of Jackson)

On this 14th day of February, 1986, personally appeared before me JOHN E. FERRIS, who, being first duly sworn, did say that he is the Attorney-In-Fact for Terry Farnham, aka Terry L. Farnham, and that he executed the foregoing instrument by authority of and in behalf of said principal as Secretary of BLT Enterprises, Inc., an Oregon Corporation, the Corporation that executed the foregoing instrument or the person who executed the instrument on behalf of said Corporation, and acknowledged to me that such Corporation executed the same.



R. J. Tank
NOTARY PUBLIC for Oregon
My Commission Expires: 11/18/89

* * *

ATTORNEY-IN-FACT
ACKNOWLEDGEMENT

EXHIBIT A

Lease dated _____ and amended by Addendum to Lease dated effective August 10, 1977, between S T H, Inc., an Inchoate Oregon Corporation (as Lessor) and B.L.T. Enterprises, Inc., an Oregon Corporation (as Lessee), for an initial term of twenty (20) years commencing August 10, 1977, together with three (3)-five (5) year renewal options covering the land and improvements located at 2323 S. 6th St., Klamath Falls, Oregon 97601, more particularly described as follows:

Parcel 1, Lots 2, 4, 17 and 18 of the Subdivision of Lot 803 Enterprise Tracts. Parcel 2, Lot 5 of the re-subdivision of Lot 803 Enterprise Tracts in the City of Klamath Falls, Oregon, according to the Official Records thereof on file in Klamath County, Oregon excepting therefrom a parcel of land deeded to the State of Oregon by and through its State Highway Division by Deed dated on July 20, 1943, recorded September 18, 1943, in Volume 158 of Deeds, Page 407, Records of Klamath County, Oregon, as follows: Beginning at the southeast corner of said Lot 5; thence north 34°11' East along the easterly line of said Lot 5 a distance of 10.22 feet to a point opposite and 40.0 feet northerly from Station 4+44.62; thence parallel to and 40.0 feet distant from the relocated center line of the Klamath Falls-Lakeview Highway north 55°50'30" west a distance of 45.05 feet to the westerly line of said Lot 5; thence south 34°11' west along said westerly line a distance of 10.20 feet to southwest corner of said Lot 5; thence south 55°49' east along the south lot line a distance of 45.05 feet to the point of beginning. Parcel 3, Lot 3, of the Subdivision of Lot 803 Enterprise Tracts except portion conveyed to the State of Oregon by Instrument recorded in Volume 161, Page 42, Deed Records of Klamath County, Oregon.

Including all improvements located thereon, together with all of the Lessor's rights, easements and appurtenances in adjoining and adjacent land, highways, roads, streets, lanes, whether public or private, serving said described premises.

Return
Jackson County Title
1150 Crater Lake Ave Suite B
Medford, OR 97504

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the _____ day
of February A.D., 19 86 at 10:41 o'clock A M., and duly recorded in Vol. M86
of Deeds on Page 2938

FEE \$25.00

Evelyn Biehn County Clerk
By Bernetha S. Hetch