### Vol. Mgn Page 1/1485 K-38870 ASSIGNMENT OF LESSOR'S INTEREST IN LEASE(S) AND RENTS, AND AGREEMENTS

"Assignor") assigns the following Tyrholm Properties, Inc. described property ("Collateral") and grants a security interest therein to FIRST INTERSTATE BANK OF OREGON, N.A., ("Bank") its successors and assigns: all of Assignor's right, title and interest in and to any and all leases or agreements now or hereafter existing, however evidenced, covering all or a portion of the real property described below, together with all rents and monies due or to become due Assignor thereunder, including but not limited to those certain less(s) executed between Assignor, as Lessor and Lessee(s) so described in Exhibit A; which is attached hereto and by this reference made a part hereof: "Obligor" shall mean the Account Debtor, Lessee, Contract Purchasers or other perion(s) obligated for the payment of money, a may be might any reference to the term "mortgage" shall be interchangeable with the term

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WELEK BECOSDING BELOKA LO: Legal description attached hereto as Exhibit B and by this reference incroporated herein.

# Lease between Tyrnolm Properties, Inc. and Tyrnold Big.R. Inc. daled August 25

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### Assignor warrants to Bank that:

- (II) he has not heretofore assigned or granted a security interest in the Collateral or any sums of money due or to become due thereunder, or any right or interest therein or thereto;
- (III) the full amount payable according to the terms of the Collateral is justly owing and payable in accordance with the terms thereof; (IV) there are no defaults existing under the Collateral;
- (V) there are no offsets or counterclaims to the Collateral;
- (VI) he has not received any monies which are not due under this Collateral until a date more than 30 days from the date on which this assignment
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note to Bank dated <u>February 17, 1987</u>, in the principal amount of \$ <u>175,000.00</u>, together with interest thereo in accordance with its terms and tenor, (together with any renewals or extensions thereof), and secured by that certain mortgage dated <u>February 17</u>, and recorded <u>10</u> real estate records in Klamath County , together with interest thereon 1987

Lies along these act how respectively of a boby of the resource of accidances of the indebtedness secured hereby and by said mortgage or in Upon or at any time after default in the payment of the principal sum, interest and other indebtedness secured hereby and by said mortgage or in the performance of any obligation, covenant or agreement herein or in said note, mortgage or lease contained on the part of the Assignor to be performed, the Assignee without in any way waiving such default may at its option without notice and without regard to the adequacy of the security for the said principal sum; interest and other indebtedness secured hereby and by said mortgage; either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, take possession of the premises described in said lease and/or mortgage and have, hold, manage, lease and operate the same on such terms and for such period of time as the Assignee may deem proper and either with or without taking possession of said premises in its own name, demand, sue for or otherwise collect and receive all rents, income and profits of said premises, including those past due and unpaid with full power to make from time to time all alterations, renovations, repairs or replacements thereto or thereof as may seem proper to the Assignee and to apply such rents, income and profits to the payment of: (a) all expenses of managing the premises, including, without being limited thereto, the salaries, fees and wages of a managing agent and such other employees as the Assignee may deem necessary or desirable and all expenses of operating and maintaining the premises, including, without being limited thereto, all taxes, charges, claims, assessments, water rents, sewer rents and any other Liens, and premiuma for all insurance which the Assignee may deem necessary or desirable, and the costs of all alterations, renovations, repairs or replacements, and ell expense incident to taking and retaining possession of the premises; and (b) the principal sum, interest and indebtedness secured hereby and by said mortgage, together with all costs and attorney fees, in such order of priority as to any of the items mentioned in this document as the Assignee in its sole discretion may determine, any statute, law, custom or use to the contrary notwithstanding. The exercise by the Assignee of the option granted it in this paragraph and the collection of the rents, income and profits and the application thereof as herein provided shall not be considered a waiver of any default by the Assignor under said note or mortgage or under said lease or this assignment.

Assignor hereby authorizes and directs Obligor to pay and deliver to Bank, upon Bank's demand to Obligor, all sums of money payable by the terms of Collateral and to accept receipt of Bank therefor. Until Bank makes demand on Obligor, Assignor shall continue to collect the proceeds of Collateral. Assignor shall, at the request of Bank, hold the proceeds received from collection in trust for Bank without commingling the same with other funds of Assignor and shall turn the same over to Bank immediately upon receipt in the identical form received. Assignor shall, at the request of Bank, notify Obligor of Bank's interest in Collateral and Bank may, itself, at any time so notify Obligor. Obligor shall be under no obligation to determine that any indebtedness hereby secured is owing or to see to the application of any sums of money paid to Bank and the receipt of Bank shall constitute a complete acquittance to the extent of any payment made to Bank by Obligor until Bank shall notify Obligor in writing that Assignor is no longer indebted to Bank.

It is expressly understood and agreed that Bank shall not be required or obligated in any manner to make any demand or to take any action to collect or enforce the payment of any amount which may have been assigned to it or to which it may have been entitled hereunder at any time or times.

This assignment is not a delegation or assignment to Bank of Assignor's duties or obligations under or in connection with collateral. Bank's acceptance of this assignment does not constitute a promise by it nor does it in any way obligate it to perform any of Assignor's duties or obligations under or in connection with collateral. Assignor hereby agrees to indemnity Bank against and hold it harmless from any and all liability, loss or damage which it may or might incur under the Collateral or under or by reason of this Assignment and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligation of undertaking on Bank's or Assignor's part to perform or discharge any of the terms of the Collateral.

Assignor hereby appoints Bank, its successors and assigns, his attorney in fact, irrevocable, with full power of substitution, to demand, collect, rece receipt for, sue and recover all sums of money which may now or hereafter become due, owing or payable from Obliger in accordance with the terms of the Collateral; to execute, sign and endorse any and all claims, instruments, receipts, checks, drafts or warrants issued in payment therefor and to settle or compromise any and all claims arising under the collateral assigned to Bank and, in the place and stead of Assignor, execute and deliver its release and acquittance; therefor; to file any claim or claims or to take any action or institute or take part in any proceedings, either in its own name or in the name of Assignor, or otherwise, which, in the discretion of Bank may seem to be necessary or advisable. This power is given as security for an indebtedness and the authority thereby conferred is and shall be irrevocable and shall remian in full force and effect until renounced by Bank.

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EXHIBIT B

# DESCRIPTION OF PROPERTY

The following described real property situate in Klamath County, Oregon: A tract of land situated in the NEISW1 of Sec. 1, Twp. 39 South, Range 9 East of the Willemette Meridian, Klamath County, Oregon, being a portion of

that land as described in Deed Vol. 160 page 149, Deed Vol. 248, page 193, and Deed Vol. 358 page 159, Klamath County Deed Records, being more particularly Beginning at a 5/8 inch iron pin on the North line of the NEISWI of said

Section 1, said point being N. 87°55'21" E. 240.30 feet from the 5/8 inch iron pin marking the Northwest corner of the NEISWI of said Section 1; thence N. 87°55'21" E. along the North line of the NEISWI of said Section 1, 270.90 feet to a 5/8 inch iron pin; thence S. 02°04'39" E. at right angles to the North line of the NEISWI of said Section 1; 474.66 feet to a 5/8 inch iron pin in the north/south fence line; thence continuing S. 02°04'39" E. to the Northerly right of way line of the State Highway as described in said Deed Vold. 358page 159; thence Northwesterly along said right of way line to a point that bears S. 00°06' 12" W. from the point of beginning; thence N. 00°06' 12" E. to a 5/8 inch iron pin; thence continuing N. 00 °06'12" E. 240.53 feet to the point of

ALSO a tract of land situated in the SEINWI and the NEISWI of Section 1,

all in Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows: Beginning at a 5/8 inch pin on the North line of the NEISWI of Baid Section 1, said point begin N. 87°55'21" E. 240.30 feet from a 5/8 inch iron pin marking the Northwest corner of the NEISWI of said Section 1; thence N. 27°55'21" E. along the North line of the NEISWI of said Section 1; thence N. to a 5/8 inch iron pin; thence S. 02°04'39" E. at right angles to the North line of the NFICUL of antice contion 1. 277. 46 foot have 5/0 inch iron of the the line of the NEISWI of said Section 1, 474.66 feet to a 5/8 inch iron pin in the north-south fence line; thence continuing S. 02 04 39" E. to the Northerly right of way line of the State Highway as described in Deed Vol. 358 page 159, Klamath County Deed Records; thence N. 02°06'39" E; along a north-south fence line 494 feet, more or less, to a 5/8 inch iron pin on the South line of Simmers Avenue; thence S. 89°09'53" W. along the South line of Simmers Avenue, 289.35 feet to a 5/8 inch iron pin; thence S. 00°06'12" W. 24.78 feet to a





## GUARANTEED PAY-BACK BY LESSEE

PARTIES: TYRHOLM PROPERTIES, INC., an Oregon corporation,

(LESSOR)

TYRHOLM BIG R INC., an Oregon corporation,

(LESSEE)

### RECITALS:

A. TYRHOLM PROPERTIES, INC., as Lessor, and TYRHOLM BIG R INC., as Lessee, have entered into a Lease Agreement for the following described real property, which Lease calls for a monthly rental of \$3,500 on a net net net basis, to-wit:

A tract of land situated in the NE4SW4 of Sec. 1, Twp. 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being a portion of that land as described in Deed Vol. 160 page 149, Deed Vol. 248, page 193, and Deed Vol. 358 page 159, Klamath County Deed Records, being more particularly described as follows:

Beginning at a 5/8 inch iron pin on the North line of the NE4SW4 of said Section 1, said point being N. 87°55'21" E. 240.30 feet from the 5/8 inch iron pin marking the Northwest corner of the NE4SW4 of said Section 1; thence N. 87°55'21" E. along the North line of the NE4SW4 of said Section 1, 270.90 feet to a 5/8 inch iron pin; thence S. 02°04'39" E. at right angles to the North line of the NE4SW4 of said Section 1; 474.66 feet to a 5/8 inch iron pin in the north/south fence line; thence continuing S. 02°04'39" E. to the Northerly right of way line of the State Highway as described in said Deed Vol. 358/ page 159; thence Northwesterly along said right of way line to a point that bears S.00°06'12" W. from the point of beginning; thence N. 00°06'12" E. 240.53 feet to the point of beginning, containing 2.20 acres, more or less.

ALSO a tract of land situated in the SE%NW% and the NE%SW% Section 1, all in Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a 5/8 inch pin on the North line of the NE $\frac{1}{5}$ SW4 of said Section 1, said point being N. 87°55'21" E. 240.30 feet from a 5/8 inch iron pin marking the Northwest corner of the NE $\frac{1}{5}$ SW4 of said Section 1, thence N. 87°55'21" E. along the North line of the NE $\frac{1}{5}$ SW4 of said Section 1, 270.90 feet to a 5/8 inch iron pin; thence S. 02°04'39" E. at right angles to the North line of the NE $\frac{1}{5}$ SW4 of said Section 1, 474.66 feet to a 5/8 inch iron pin in the north-south fence line; thence continuing S. 02°04'39" E to the Northerly right of way line of the State Highway as described in Deed Vol. 358 page 159, Klamath County Deed Records; thence N. 02°06'39" E. along a north-south fence line 494 feet, more or less to a 5/8 inch iron pin on the South line of Simmer.s Avenue; thence S. 89°09'53" W. along the South line of Simmers Avenue, 289.35 feet to a 5/8 inch iron pin; thence S. 00°06'12" W. 24.78 feet to a point of beginning, containing 0.25 acres, more or less.

1. GUARANTEED PAY-BACK

B. The Lessor has agreed to make improvements to the premises by remodeling, expansion and renovation of the building and the parking lot, which will give additional store space facilities and improved parking for the benefit of the Lessee.

C. The term of the Lease between Lessor and Lessee is less than the normal amortization under a pay-back for the improvements made upon the premises.

### AGREEMENT

NOW, THEREFORE, the parties agree to modify the Lease Agreement as follows:

1. The rental payments will be increased by the amount of the costs of improvements placed upon the premises by the Lessor as amortized over a ten year period at an interest rate of 1% over prime of First Interstate Bank for their preferred customers as computed on an annual basis on the first day of January of each year.

2. In the event that the Lessee terminates its Lease, or does not renew its Lease upon the current termination of the Lease, then the Lessee agrees to pay Lessor, in cash, any balance due under the amortization schedule described in Paragraph 1, less the computation for any unpaid interest.

3. All other terms and provisions of the Lease Agreement shall remain in full force and effect.

DATED this 25 day of Muquet \_\_\_, 1986.

TYRHOLM PROPERTIES, INC.

By: Marin J. Typolm

LESSOR

252

TYRHOLM BIG R, INC.

By: Kalm With polal

LESSEE

## STATE OF OREGON: COUNTY OF KLAMATH: 55.

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2. GUARANTEED PAY-BACK (MPROP9)