

Store:  
Location:

Klamath Falls, Oregon  
1737 Avalon  
Klamath Falls, Oregon 97601

### ASSIGNMENT AND ASSUMPTION AGREEMENT

This Agreement and Assumption Agreement (the "Agreement") is made and entered as of the 27th day of January, 1992, by and between THOMAS J. BARBANO, whose address is 23305 Friar Tuck Lane, Edmonds, Washington 98020 ("Assignor") and SKIPPER'S, INC., a Washington corporation, whose business address is 14450 N.E. 29th Place, Suite 200, Bellevue, Washington 98007 ("Assignee").

#### WITNESSETH:

WHEREAS, Assignor entered into a lease agreement (the "Lease") with BILL P. DICKY to lease certain real property located in the City of Klamath Falls, the State of Oregon, upon the terms and conditions set forth in the Lease, a Memorandum of said Lease having been executed on December 8, 1980 and recorded on January 2, 1981 in Volume M81 at Page 81 of the records of Klamath County, Oregon, and the terms of which Lease and Memorandum of Lease are hereby incorporated by reference as if set forth in full; and

WHEREAS, Assignor desires to assign and Assignee desires to acquire all rights and assume all obligations of Assignor under the Lease.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Assignment. Assignor hereby assigns to Assignee all of Assignor's right, title, and interest in and to the Lease.
2. Assumption. Assignee hereby assumes and covenants to perform all duties and obligations of Assignor under the Lease, agrees to be substituted for Assignor under the Lease, and further agrees to observe, perform, and be bound by all terms, provisions, covenants, and conditions of the Lease.
3. Covenants.
  - (a) Assignor hereby covenants with Assignee that (i) Assignor is the owner of the leasehold estate as provided in the Lease, (ii) that Assignor has the right to sell and assign their interest in the Lease as set forth in the Lease; (iii) that Assignor's interest in the Lease is free and clear of and from all encumbrances except those of record and (iv) that Assignor will warrant and defend the interest in the Lease assigned to Assignee against the claims and demands of all persons claiming by or through Assignor.
  - (b) Assignor shall indemnify, defend and hold harmless Assignee for any damage, loss, claim, liability, or debt arising out of, or in any way related to: (i) any obligations or liabilities of Assignor under the Lease which matured, became due, accrued or arose from any event occurring on or prior to January 26, 1992; or (ii) performance to be made by Assignor under the Lease which was to be made by Assignor on or prior to January 26, 1992.

- (c) Assignee shall indemnify, defend and hold harmless Assignor for any damage, loss claim, liability or debt arising out of, or in any way related to: (i) any obligations or liabilities of Assignee under the Lease which matured, became due, accrued or arose from any even occurring on or prior to January 26, 1992; or (ii) performance to be made by Assignor under the Lease which was to be made by Assignor on or prior to January 26, 1992.
4. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Washington, without giving effect to the choice-of-law principles thereof.
5. Successors and Assigns. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors, heirs, personal representatives, and assigns of Assignor and Assignee.
6. Entire Agreement. This writing is intended by the parties as a final expression of this Agreement and also is intended as a complete and exclusive statement of the terms of this Agreement and may not be orally modified. No course of prior dealing between the parties, no usage of trade, and no parol or extrinsic evidence of any nature shall be used to be supplement or modify any term hereof, nor are there any conditions to the full effectiveness of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

ASSIGNEE:

ASSIGNOR:

SKIPPER'S, INC.

By:

  
J. J. Fitzsimmons  
Vice President

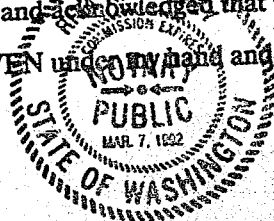
  
Thomas J. Barbano

STATE OF WASHINGTON  
COUNTY OF KING

} SS:

On, January 29, 1992, before me the undersigned, a Notary Public, in and for the State of Washington, personally appeared Thomas J. Barbano, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within and foregoing instrument and acknowledged that we executed the same.

GIVEN under my hand and seal of office this 29 day of Jan., 1992.



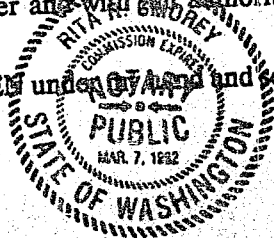
Rita R. Cmorey  
Notary Public  
My commission expires: 3-7-92

STATE OF WASHINGTON  
COUNTY OF KING

} SS:

I, Rita R. Cmorey, a Notary Public in and for said county and state, hereby certify that J. J. Fitzsimmons, whose name as Vice President of Skipper's, Inc., a Washington corporation, is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

GIVEN under my hand and seal of office this 29 day of Jan, 1992.



Rita R. Cmorey  
Notary Public  
My commission expires: 3-7-92

K12892F

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co. the 2nd day  
of March A.D., 19 92 at 2:42 o'clock P. M., and duly recorded in Vol. M92  
of Deeds on Page 4250

Evelyn Biehn . County Clerk  
By Douline Muelendore

FEE \$40.00

Return: MTC