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06-09-94A11:10 RCVN
LANDLORD'S CONSENT

Vol. 94 Page 18103

Document	Loan Date	Maturity	Loan No.	Cell	Collateral	Account	Officer	Initials
06-17-1994	06-17-1995	02-010475	4A	SRL	4700000095	CBS		

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: J. W. Kerns, Inc.
4360 Highway 39
Klamath Falls, OR 97603

Lender: WESTERN BANK
Klamath Falls Branch
421 South 7th Street
P.O. Box 669
Klamath Falls, OR 97601-0322

THIS LANDLORD'S CONSENT is entered into among J. W. Kerns, Inc. ("Borrower"), whose address is 4360 Highway 39, Klamath Falls, OR 97603; WESTERN BANK ("Lender"), whose address is 421 South 7th Street, P.O. Box 669, Klamath Falls, OR 97601-0322; and JWK Limited Partnership ("Landlord"), whose address is 4360 Highway 39, Klamath Falls, OR 97603. Borrower and Lender have entered into, or are about to enter into, an agreement whereby Lender has acquired or will acquire a security interest or other interest in the Collateral. Some or all of the Collateral may be affixed or otherwise become located on the Premises. To induce Lender to extend the Loan to Borrower against such security interest in the Collateral and for other valuable consideration, Landlord hereby agrees with Lender and Borrower as follows.

DEFINITIONS. The following words shall have the following meanings when used in this Agreement. Terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Agreement. The word "Agreement" means this Landlord's Consent, as this Landlord's Consent may be amended or modified from time to time, together with all exhibits and schedules attached to this Landlord's Consent from time to time.

Borrower. The word "Borrower" means J. W. Kerns, Inc..

Collateral. The word "Collateral" means certain of Borrower's personal property in which Lender has acquired or will acquire a security interest, including without limitation the following specific property:

All Inventory, Chattel Paper, Accounts, Contract Rights, Equipment and General Intangibles

Landlord. The word "Landlord" means JWK Limited Partnership. The term "Landlord" is used for convenience purposes only. Landlord's interest in the Premises may be that of a fee owner, lessor, sublessor or lienholder, or that of any other holder of an interest in the Premises which may be, or may become, prior to the interest of Lender.

Lease. The word "Lease" means that certain lease of the Premises, dated October 20, 1992, between Landlord and Borrower.

Lender. The word "Lender" means WESTERN BANK, its successors and assigns.

Loan. The word "Loan" means the loan, or any other financial accommodations, Lender has made or is making to Borrower.

Premises. The word "Premises" means the real property located in Klamath County, State of Oregon, commonly known as 4401 & 4360 Highway 39, Klamath Falls, OR 97603.

DISCLAIMER OF INTEREST. Landlord hereby consents to Lender's security interest (or other interest) in the Collateral and disclaims all interests, liens and claims which Landlord now has or may hereafter acquire in the Collateral. Landlord agrees that any lien or claim it may now have or may hereafter have in the Collateral will be subject at all times to Lender's security interest (or other present or future interest) in the Collateral and will be subject to the rights granted by Landlord to Lender in this Agreement.

ENTRY ONTO PREMISES. Landlord and Borrower grant to Lender the right to enter upon the Premises for the purpose of removing the Collateral from the Premises or conducting sales of the Collateral on the Premises. The rights granted to Lender in this Agreement will continue until a reasonable time after Lender receives notice in writing from Landlord that Borrower no longer is in lawful possession of the Premises. If Lender enters onto the Premises and removes the Collateral, Lender agrees with Landlord not to remove any Collateral in such a way that the Premises are damaged, without either repairing any such damage or reimbursing Landlord for the cost of repair.

MISCELLANEOUS PROVISIONS. This Agreement shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Agreement. The covenants of Borrower and Landlord respecting subordination of the claim or claims of Landlord in favor of Lender shall extend to, include, and be enforceable by any transferee or endorsee to whom Lender may transfer any claim or claims to which this Agreement shall apply. Lender need not accept this Agreement in writing or otherwise to make it effective. This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon. If Landlord is other than an individual, any agent or other person executing this Agreement on behalf of Landlord represents and warrants to Lender that he or she has full power and authority to execute this Agreement on Landlord's behalf. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is in writing and signed by Lender. Without notice to Landlord and without affecting the validity of this Consent, Lender may do or not do anything it deems appropriate or necessary with respect to the Loan, any obligations on the Loan, or any Collateral for the Loan; including without limitation extending, renewing, rearranging, or accelerating any of the Loan indebtedness. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not constitute a waiver of or prejudice Lender's right otherwise to demand strict compliance with that provision or any other provision. Whenever consent by Lender is required in this Agreement, the granting of such consent by Lender in any one instance shall not constitute continuing consent to subsequent instances where such consent is required.

BORROWER AND LANDLORD ACKNOWLEDGE HAVING READ ALL THE PROVISIONS OF THIS LANDLORD'S CONSENT, AND BORROWER AND LANDLORD AGREE TO ITS TERMS. THIS AGREEMENT IS DATED MAY 17, 1994.

BORROWER:

J. W. Kerns, Inc.

By: James W. Kerns

James Kerns, President

LANDLORD:

JWK Limited Partnership

x James W. Kerns

Landlord's Signature

J. W. KERNS, INC., General Partner.

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JAMES W. KERNS, President

LENDER:

WESTERN BANK

By: [Signature]

Authorized Officer

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Western Bank the 9th day
of June A.D. 19 94 at 11:10 o'clock A.M., and duly recorded in Vol. M94
of Mortgages on Page 18103.

FEE \$15.00

Evelyn Biehn, County Clerk

By Pauline Muelendae