RECORDING REQUESTED BY THE BANK OF CALIFORNIA, N.A.

WHEN RECORDED MAIL TO

C Street

THE BANK OF CALIFORNIA, N.A.

Address

P.O. Box 45011

City,

8

94145 San Francisco,

State, Zip

Attention: Commercial Service Center

SPACE ABOVE THIS LINE FOR RECORDER'S USE-

## WAIVER OF RIGHTS AND CONSENT TO REMOVAL OF PERSONAL PROPERTY ON OR AFFIXED TO REAL PROPERTY

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This Waiver and Consent is made and entered into as of the 12th day of March, 1996 by and between THE BANK OF CALIFORNIA, N.A., a national banking association, hereinafter called "Secured Party," and the undersigned.

WHEREAS, the undersigned has an interest either as owner, lessor, mortgage holder, trust deed holder, or seller under a conditional sales contract in the real property situated at 2380 So. 6th Street, Klamath Falls

, the legal description of which is: of Oregon

See Exhibit "A" attached hereto and made a part of this reference.

which real property is hereinafter called the "Real Property."

WHEREAS, Supply One. Inc., a Nevada corporation

hereinafter called "Debtor," in order to induce Secured Party to extend or continue credit or financial accommodations to it or some third party, has or will execute a Security Agreement granting to Secured Party a security interest in and

to the following described collateral: "Collateral" as defined in Exhibit B hereto, all terms of which are incorporated herein by reference.

which collateral is hereinafter called the "Personal Property."

WHEREAS, as a condition to extending or continuing credit or financial accommodations to Debtor or a third party, Secured Party requires the undersigned's waiver of rights and consent to the removal of the Personal Property.

NOW, THEREFORE, for good and sufficient consideration the receipt of which is hereby acknowledged, and to induce Secured Party to extend or continue credit or financial accommodations to Debtor or a third party, the undersigned jointly and severally agree as follows:

- 1. The Personal Property shall be deemed for all purposes to be personal property and shall not be considered part of the Real Property, regardless of whether or by what means it is or may become attached or affixed to
- 2. The undersigned has not and will not claim any interest in the Personal Property superior to the interest of Secured Party, and the undersigned hereby subordinates any interest it has or may hereafter acquire in the Personal Property to the security interest which Secured Party has or hereafter acquires therein.
- 3. If the undersigned has, under applicable law or otherwise, any right, title or interest in or to the Personal Property, the undersigned hereby waives such right, title and interest to the extent necessary to effectuate Secured Party's rights under this Waiver and Consent and under the Security Agreement executed or to be executed by Debtor.
- 4. In the event of a default by Debtor under the above mentioned Security Agreement or under any other presently existing or future contract, agreement or document with Secured Party, the undersigned consents to Secured Party's employees, agents or invitees entering upon the Real Property to do any or all of the following with respect to the Personal Property: assemble, have appraised, display, operate, maintain, remove, repair, prepare for public or private sale, exhibit, or sell. Secured Party hereby agrees to reimburse the undersigned for the cost of repair of any physical damage to the Real Property caused by Secured Party's removal of the Personal Property, but not for any diminution in value of the Real Property caused by the absence of the Personal Property so removed or by any necessity of replacing the Personal Property. Any such reimbursement

by Secured Party to any one or more of the undersigned shall be deemed reimbursement to all of the undersigned. The undersigned hereby waives any right to require Secured Party to provide security for the performance of this obligation.

5. In the event Debtor breaches its agreement with the undersigned and fails to cure such breach within any applicable grace period, the undersigned shall notify Secured Party and Secured Party shall, within fourteen (14) days of receiving such notice, have the right and license, but not the obligation, to occupy the Real Property for the purposes described in Paragraph 4 above for a period of up to one hundred twenty (120) days. In that event, Secured Party shall pay to the undersigned periodically in arrears, a daily fee equal to one-thirtieth (1/30th) of the minimum monthly rental provided for in Debtor's agreement with the undersigned until Secured Party vacates the Real Property.

This Waiver and Consent shall be deemed effective as of the date of the above mentioned Security Agreement, shall be governed by and construed in accordance with the laws of the State of <u>California</u>, and shall inure to the benefit of and be binding upon the successors, heirs and assigns of the undersigned and Secured Party.

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

THE BANK OF CALIFORNIA, N.A.

Ву:

Steven Dominguez

Title: Vice President

Steiner Klamath Investors, Inc.

By: / Title:

D. JEAN HUGHES

Notary Public - State of Nevada Appointment Recorded in Washue County

MY APPOINTMENT EXPIRES FEB. 10, 1999

ALL SIGNATURES ON THIS DOCUMENT REQUIRE NOTARIZING

#### **EXHIBIT A**

# TO: Waiver of Rights and Consent to Removal of Personal Property on or affixed to Real Property

PARCEL 1:

All that portion of Lot 70, ENTERPRISE TRACTS, in the County of Klamath, State of Oregon, described as follows:

Beginning at a point in the Southerly line of South Sixth Street as the same is presently located and constructed, at its intersection with a North-South line parallel with and 390 feet West of the East line of said Lot 70; thence South along said line a distance of 694.42 feet, more or less, to a point 17.5 feet East of the Southeast corner of tract of land conveyed by Marshall E. Cornett et ux., to Signal Oil Company by Deed recorded August 28, 1946 in Volume 194 at Page 435, Deed Records of Klamath County, Oregon, said point being the true point of beginning of this description; thence continuing South on said North-South line a distance of 280.7 feet, more or less, to the North 66 degrees 51' 15" West along said right of way line a distance of 156.65 feet to the Southwest corner of tract conveyed by Klamath Pine Lumber Co. to Marshall E. Cornett, et ux., by Deed recorded August 24, 1937, in Volume 111, Page 399, line of last described tract, a distance of 275 feet, more or less, to a point of intersection with the Westerly right of way line of Spur tract described as Parcel 2 in Deed to Richfield Oil Corporation, recorded June 24, 1941 in Volume 139 at Page along a 11 degree 30' curve to the left a distance of 52.5 feet, more or less, to its intersection with the South line, extended Westerly, of aforementioned tract conveyed to Signal Company by Deed recorded in Volume 194 at Page 435; thence East along the South line and South line extended of last mentioned Parcel a distance of 139.6 feet, more or less, to the point of beginning.

LESS AND EXCEPTING a 17 foot strip deeded to Richfield Oil Company for a spur tract by Deed recorded in Volume 139 at Page 63, Deed Records of Klamath County, Oregon.

ALSO all that portion of Lot 70, ENTERPRISE TRACTS, in the County of Klamath, State of Oregon, described as follows:

Beginning at a point in the South line of Sixth Street at its intersection with a North and South line 390.0 feet West of the East line of Lot 70; thence South 706.5 feet; thence West 17.5 of the East line of Lot 70 a distance of 718.43 feet to the intersection of said line with the South line of Sixth Street; of beginning.

LESS AND EXCEPTING that portion conveyed to State of Oregon, by and through its State Highway Commission by Warranty Deed recorded March 28, 1942 in Volume 146 at Page 260, Deed Records of Klamath County, Oregon

PARCEL 2:

All that portion of Tracts 69 and 70, ENTERPRISE TRACTS, in the County of Klamath, State of Oregon, described as follows:

A strip of land 390 feet wide, East and West, bounded on the North by the Dallas-California Highway, on the South by the Northerly line of Oregon, California and Eastern Railway, on the East by the East line of Tracts 69 and 70 of Enterprise Tracts, and on the West by a line drawn parallel to and distant 390 feet West from the East boundary above described.

LESS AND EXCEPTING that portion conveyed to State of Oregon, by and through its State Highway Commission by Warranty Deed recorded August 7, 1943 in Volume 157 at Page 360, Deed Records of Klamath County, Oregon.

### THE BANK OF CALIFORNIA

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#### EXHIBIT B

# TO: Waiver of Rights and consent to Removal of Personal Property on or affixed to Real Property

- "Collateral means all Debtor's Accounts, General Intangibles, and Rights to Payment now owned or hereafter acquired, wherever located, and whether held by Debtor or any third party, and all royalties, proceeds and products thereof, including all insurance and condemnation proceeds, and all Records."
- "Accounts means all rights to payment for goods sold or leased by Debtor or for services rendered by Debtor, which rights are not evidenced by an instrument or chattel paper, whether or not earned by performance."
- "General Intangibles means all personal property of Debtor other than goods not otherwise defined as Collateral, including without limitation all interests or claims in insurance policies; literary property; tradenames, tradename rights; trademarks, trademark rights, copyrights, patents, and all applications therefor; licenses, permits, franchises and like privileges or rights issued by any governmental or regulatory authority; income tax refunds; claims and causes of action."
- "Rights to Payment means all Debtor's instruments, contract rights, documents, chattel paper and all other rights to payment other than the Accounts, including without limitation all rights to payment under any commercial or standby letter of credit."
  - "Records means all Debtor's computer programs, software, hardware, source codes and data processing information, all written documents, books, invoices, ledger sheets, financial information and statements, and all other writings concerning Debtor's business."

"Collateral further means all Debtor's inventory, including raw materials, work in process, finished goods and goods held for sale or lease or furnished under contracts of service, and all returned and repossessed goods, and all goods covered by documents of title, including warehouse receipts, bills of lading and all other documents of every type covering all or any part of the Collateral."

"Collateral" is defined as all of Debtor's equipment now owned or hereafter acquired, including, but not limited to machinery, machine parts, furniture, furnishings, and all tangible personal property used in the business of the Debtor, including without limitation the following items: all office fixtures, computer equipment and all such property which is or is to become fixtures on real property, and all improvements, replacements, accessions, and additions thereto, wherever located, and all proceeds thereof arising from the sale, lease, rental, or other use or disposition of any such property, including all rights to payment with respect to insurance or condemnation, returned premiums, or any cause of action relating to any of the foregoing. "Collateral" includes, but is not limited to, all the foregoing that may now or at any time hereafter constitute fixtures or be located or installed at the real property as described in Exhibit A attached, and all improvements, replacements, accessions, and additions thereto, wherever located, and all proceeds thereof arising from the sale, lease, rental, or other use or disposition of any such property, including all rights to payment with respect to insurance or condemnation, returned premiums, or any cause of action relating to any of the foregoing. A copy of this Financing Statement will be filed in the real estate records. The name of the record owner of the above property is Steiner Klamath Investors, Inc..

STATE OF OREGON: COUNTY OF KLAMATH: ss.	2 m d
Filed for record at request of The Bank Of California of April A.D., 19 96 at 9:26 o'clock of Mortgages or	the 3rd day  AM., and duly recorded in Vol. M96  n Page 9317  Bernetha G., Letsch, County Clerk
FEE \$25.00	Suy Fussel