

K-50157
ASSIGNMENT OF LESSOR'S INTEREST IN LEASE AS SECURITY

To induce Oregon Certified Business Development Corporation (hereafter "OCBDC") to make a loan and to induce the United States Small Business Administration (hereafter "SBA") to guarantee a debenture issued by OCBDC in the amount of \$242,000.00, the proceeds of which are to be loaned to Debbie J. and Randall L. Nunes pursuant to SBA's Authorization and Debenture Guaranty #CDC-L WOB ME 920855 30 00 OR, including any amendments to it approved by the SBA, the following Assignment is made.

For value received Randy Nunes and Debbie Nunes (hereafter "Assignor") hereby conveys and assigns as security, with right of reassignment, to OCBDC and to its assigns and successors, all of Assignor's right, title and interest, including rentals, to the lease dated May 10, 1996 (including any addendums, renewals or modifications thereof) to that real property which is legally described in the attached Exhibit A and is incorporated by reference in this assignment. The lease is between Assignor as Lessor and Cascade Automotive, Inc. as Lessee and covers that real property described in Exhibit A.

Assignor agrees as follows:

1. So long as OCBDC, the SBA or holder of the note in the amount of \$242,000.00 which was executed by Debbie J. and Randall L. Nunes, has not entered into possession of the premises described on Exhibit A, for the purpose of operating the business of Cascade Automotive, Inc. dba NAPA Auto Parts of Klamath Falls, a small business concern (hereafter "SBC"), OCBDC, the SBA and the holder of the note shall not be liable for rent and any other obligation of the SBC and the SBC shall remain liable for all other obligations.

2. In the event of any default by the SBC under its lease with the Lessor of the premises described in Exhibit A, Lessor will not terminate the lease or take any action to enforce any claim with respect to the lease without giving OCBDC and the SBA and the holder of the note for \$242,000.00, at least sixty days prior written notice of the default and the right to cure such default within the sixty day period.

3. Written notice of default shall be mailed to OCBDC at P.O. Box 575, Redmond, OR 97756, Attention: Jim MacKinnon, Senior Loan Officer, Re: Debbie J. and Randall L. Nunes, SBA No. CDC-L WOB ME 920855 30 00 OR, or such other address as OCBDC may designate in writing to the Assignor. Written notice of default shall be mailed to SBA, Fresno Servicing Center, 2719 N. Air Fresno Dr., Suite 107, Fresno, CA 93727, Attention: Wayne Polvado, Supervisory Loan Specialist Division, Re: Debbie J. and Randall L. Nunes, SBA No. CDC-L WOB ME 920855 30 00 OR, or at such other address as designated by the SBA in writing to the Assignor.

4. If the holder of the note is someone other than OCBDC or the SBA, then OCBDC or the SBA may notify the Assignor of the holder's name and address.

5. The lessor disclaims all right, title and interest in and to all leasehold improvements, buildings, fixtures, personal property and appurtenances placed by Lessee on the premises during the term of the lease and the lessor waives any right of landlord's distraint.

97 MAY 30 P 3:29

DATED this 23 day of May, 1997.

LESSOR:

Randy Nunes and Debbie Nunes

Randy Nunes
Randy Nunes

LESSEE:

Cascade Automotive, Inc.

BY: Debbie Nunes
Debbie Nunes, President

Debbie Nunes
Debbie Nunes

BY: Randy Nunes
Randy Nunes, Secretary

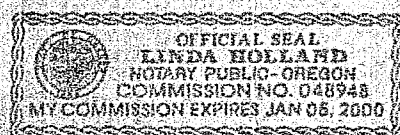
STATE OF OREGON)

COUNTY OF KLAMATH)

This instrument was acknowledged before me on May 23, 1997 by Debbie Nunes as President of Cascade Automotive, Inc. and Randy Nunes as Secretary of Cascade Automotive, Inc.

Linda Holland
(Notary Signature)

My appointment expires: 1-05-00



STATE OF OREGON)

COUNTY OF KLAMATH)

This instrument was acknowledged before me on May 23, 1997 by Randy Nunes and Debbie Nunes.

Linda Holland
(Notary Signature)

My appointment expires: 1-05-00

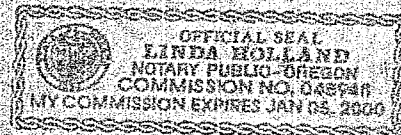


EXHIBIT A

Parcel 2 of Partition #68-92, located in Lots 1 and 2 in Block 2, Tract 1080-Washburn Park, according to the official plat thereof on file in the office of the County Clerk of Klamath Falls, Oregon.

Also known as 2128 Washburn Way, Klamath Falls, Oregon 97603.

STATE OF OREGON, COUNTY OF KLAMATH: ss.

Filed for record at request of _____ Klamath County Title _____ the _____ 30th _____ day
of _____ May _____ A.D., 19 _____ 27 _____ at _____ 3:29 o'clock _____ P. M., and duly recorded in Vol. _____ M97
of _____ Deeds _____ on Page _____ 16638 _____
by _____ Bernetha G. Litsch, County Clerk

FEE \$40.00