

the leased premises, provided, however, that in the event SBA/Bank elects to exercise said option of taking over the demised premises for the purpose of operating the same, written notice of its election so to do shall be mailed promptly by SBA/Bank to the Lessor. Upon the exercise of such option, the SBA/Bank shall be deemed to be substituted as the Lessee in said Lease in the place and instead of the Borrower, and shall be deemed to have assumed expressly all of the terms, covenants, and obligations of the Lease theretofore applicable to the party of the first part, and shall likewise be entitled to enjoy all of the rights and privileges granted to the Borrower under the terms and conditions of the Lease, with the right to reassign same.

3. It is understood and agreed that so long as the SBA/Bank shall not have exercised its option under the foregoing provisions hereof as to the leased premises, the SBA/Bank shall not be liable for rent or any obligation of the Borrower under and by virtue of or in connection with the Lease, and the Borrower shall remain liable for such rent and obligations.

IN WITNESS WHEREOF, Borrower has executed or caused to be executed this Agreement and Assignment of Lease and has affixed or caused to be affixed his seal.

IN THE PRESENCE OF:

SMITHWICK JEWELERS, INC.

James C. Baskely, Jr.
Witness

By John A. Redmond
President (Borrower)

Jackie W. Reeves
Witness

William G. Redmond
William G. Redmond (Borrower)

James W. Redmond
James W. Redmond (Borrower)

John A. Redmond
John A. Redmond (Borrower)

CONSENT:

Ollie M. Smithwick
Ollie M. Smithwick (Lessor)

James C. Baskely, Jr.
Witness

Alma N. Smithwick
Alma N. Smithwick (Lessor)

Jackie W. Reeves
Witness

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