

A-18573

VERMONT

LEASE AGREEMENT

THIS AGREEMENT, Made and entered into at Klamath Falls, Oregon, this 31 day of July, 1967, by and between SWAN LAKE MOULDING COMPANY, an Oregon corporation, hereinafter referred to as Lessor, and CURTIS O. BANEY, hereinafter referred to as Lessee,

W I T N E S S E T H:

WHEREAS, Lessor is owner in fee of the following described property situated in Klamath County, Oregon, to-wit:

A piece or parcel of land in the NW $\frac{1}{4}$  of Section 3, Twp.39 S. R. 9 E.W.M., more particularly described as follows:

Starting at the Northwest corner of Section 3, Twp.39 S.R. 9 E.W.M., and running thence S. 0°00 $\frac{1}{2}$ ' E. along the Westerly boundary of Section 3, 977.8 feet, more or less, to its intersection with a line parallel with and fifty feet distant at right angles Southwesterly from the center line of the Daffes California State Highway, also known as South Sixth Street, as the same is now located and constructed; thence S. 55°52 $\frac{1}{2}$ ' E. along said parallel line 1656.6 feet to a point from which the cross on a railroad spike embedded in the asphalt roadway bears N. 34°07 $\frac{1}{2}$ ' E. 11. feet; thence at right angles to South Sixth Street S. 34°07 $\frac{1}{2}$ ' W. fifty feet to the true point of beginning of this description; thence S. 55°52 $\frac{1}{2}$ ' E. parallel to South Sixth Street 358.8 feet to a point from which a cross chiseled in the concrete sidewalk bears N. 34°07 $\frac{1}{2}$ ' E. 61. feet; thence at right angles to South Sixth Street S. 34°07 $\frac{1}{2}$ ' W. 206.3 feet, more or less, to an iron peg on the Northerly right of way line of the O.C. & E. RR; thence N. 66°57 $\frac{1}{2}$ ' W. along said Northerly line 365.4 feet, more or less, to an iron peg which is S. 34°07 $\frac{1}{2}$ ' W. from the true point of beginning; thence N. 34°07 $\frac{1}{2}$ ' E. 276.6 feet, more or less, to the true point of beginning, but reserving the right of way and the right to replace and maintain the 8 inch sanitary sewer located approximately 106.5 feet at right angles Northerly from the Northerly right of way line of the O.C. & E. RR but granting joint use of this sewer subject to the rules of the South Suburban Sanitary District, and further reserving unto Lessor the easement over and under the three feet lying closest to the O.C. & E. Railroad property for installation and maintenance of an 8" storm sewer; and

WHEREAS, Lessor desires to lease the aforesaid premises to Lessee, and Lessee desires to lease the aforesaid premises from Lessor, both on the terms and conditions hereinafter set forth,

NOW, THEREFORE, in consideration of the mutual terms, conditions and covenants hereinafter set forth, IT IS AGREED as follows:

1. The term of this lease shall be for a period of Sixty (60) years, commencing on the date of execution of this lease by both parties hereto.

2. Lessee agrees to lease said premises from Lessor for said sixty year period and pay as rental therefor the sum of Seven Hundred Twenty Dollars per month net during the term of said lease, excepting as such amount may be modified as hereinafter set forth, with the first monthly rental period to begin on

the 10th day of the month following the completion of a structure to be constructed on said property as hereinafter provided for.

3. Notwithstanding the provisions of paragraph 2 hereof, it is agreed that aforesaid monthly rent is a minimum rent payable each month as provided for in paragraph 2 hereof. In addition thereto, and by reason of the length of this lease, it is agreed that said rental may be adjusted upward, based on increased cost of living, but that said upward increase must be determined as follows: At the end of each five years during the life of this lease Lessor and Lessee shall consult the latest "Consumer Price Index, All City Average; all items, groups, sub-groups and special groups of items" at Table D-1 of the monthly Labor Review published by the United States Department of Labor, Bureau of Labor Statistics, and in this connection it is agreed that at the time of executing this lease, the index for all items is shown to be 115.0 which is for the month of March, 1967, and if, during the continuance of this lease said price index as shown by said publication discloses an increase over said index figure of 115.0, then the monthly rental herein provided shall be proportionately raised based on said increase. Once changed by being increased, the resultant rentals shall continue in effect until the next change that may be required by said statistics. It is also the intent of this Agreement that if, after an increase in rental is made as agreed above, the cost of living index should then decline, a like reduction in the rental figure shall be effected in accordance with the foregoing terms; provided again that in no event shall the rental figure be reduced below the minimum figure indicated above. It is further agreed that should the Consumer Price Index above specifically described be replaced and supplanted by a new federal government statistic which is intended to and does take the place of the foregoing statistic, that then said new statistic shall govern and control in connection herewith; Provided, however, that any increase or decrease shall further allow for any increase or decrease in the superseded index.

4. Lessee shall construct on said premises a modern motel, consisting of seventy rental units, together with a manager's unit, bar, restaurant and swimming pool, and the necessary parking facilities, in keeping with the city, county and state planning commission requirements pertaining thereto. Construction of

1 said motel shall be commenced by lessee forthwith and continued until it is com-  
2 pleted and ready for occupancy. Lessee shall have until ~~December 31, 1967~~ <sup>January 3, 1968</sup> with-  
3 in which to complete the construction thereof, and the basic rental of Seven  
4 Hundred Twenty Dollars per month shall become operative on the 10th day of the  
5 month following the month of the completion thereof. Should the construction of  
6 the motel be completed and ready for occupancy sooner than ~~December 31, 1967~~ <sup>January 3, 1968</sup>,  
7 then in any such event the basic monthly rental income shall begin on the 10th  
8 day of the month following the earlier month of completion. Should the lessee be  
9 precluded from completing the structure by the intervention of strikes or acts  
10 of God, or other happenings over which Lessee has no control, then in that event  
11 the aforesaid operative rental date shall be extended by the number of days lost  
12 thereby, but for no other reason. Should Lessee construct more than seventy units  
13 the minimum rental shall be increased in proportion to the increased number.

14 5. It is within the contemplation of the parties that Lessee shall acquire  
15 and secure major financing to cover the cost of the construction and to furnish  
16 the Charters required in connection with a motel operation. Lessor agrees to sub-  
17 ordinate its interest and title in said premises and chattels to a maximum sum  
18 no greater than \$5000.00 per motel rental unit, and no more, for the term and  
19 amount of said mortgage, provided that the maximum interest rate Lessee shall pay  
20 for any such financing is 7 per cent per annum simple interest. Lessor shall  
21 not become obligated on any note or notes secured by such mortgage or mortgages,  
22 but shall execute said mortgage or mortgages with Lessee.

23 Lessee shall bear any and all cost connected with any financing of the build-  
24 ings to be constructed on the premises hereby let, including the cost of title  
25 insurance. Provided further that Lessee shall not at the end of aforesaid mort-  
26 gage period, or in the interim, extend the existing mortgage or refinance said  
27 motel on a basis by which Lessor is required to subordinate to any such lender,  
28 without the written consent of lessor. Said mortgage shall be for a term of not  
29 over twenty years and in an amount not in excess of \$350,000.00.

30 6. Lessor's agreement herein to subordinate for the term of the mortgage to  
31 be given by lessee in favor of First National Bank of Oregon is conditioned upon  
32 a collateral agreement by mortgagee or mortgagees, with Lessor, that Lessor will

1 be given written notice by Mortgagee or Mortgagees of any default by Lessee in  
2 its note or mortgage obligation. And such collateral agreement between Mortgagee  
3 or Mortgagees and lessor shall further provide that notwithstanding strict fore-  
4 closure covenants contained in any mortgage or mortgages to which Lessor as the  
5 landowner will be co-mortgagor, Lessor shall have not less than 90 days after  
6 written notice from Mortgagee or Mortgagees within which Lessor may, at its  
7 option, cure any default prior to the institution of foreclosure proceedings by  
8 Mortgagee or Mortgagees. And still further provided that until said notice to  
9 Lessor and the expiration of 90 days, the balance of the unpaid principal with  
10 accrued interest, and all indebtedness secured by said mortgage or mortgages,  
11 shall not be deemed to have been accelerated by virtue of any default so as to  
12 render the total indebtedness due and payable, but Lessor shall have the oppor-  
13 tunity to reinstate by curing the then existing defaults. In the absence of such  
14 a collateral agreement, Lessor shall not be obligated to subordinate its title  
15 to the subject premises or enter into any mortgage or mortgages.

16 Should Lessee become in default with Mortgagee or Mortgagees, and notice given  
17 to Lessor, and Lessor, at its option, cure the default or defaults and carry out  
18 the obligations of the note, notes, mortgage or mortgages, all of Lessor's expen-  
19 ditures therefor shall draw interest until repaid at the rate of 8% per annum,  
20 to be payable by Lessee on demand, and Lessor may, at its option, sue to collect  
21 any and all of the aforesaid payments without terminating the lease and without  
22 affecting the right to terminate this lease at any future time. And in the event  
23 such suit or action is instituted, Lessor shall be entitled to such sum as  
24 attorney's fees as the Court may adjudge reasonable therein, including attorney's  
25 fees and costs incurred in prosecuting said claim through the Oregon Supreme  
26 Court or any other Court of Appeal. Any failure or default by Lessee in the faith-  
27 ful performance of keeping any of the covenants or any note, notes, mortgage or  
28 mortgages, pertaining to the subject premises shall constitute a failure or de-  
29 fault in the performance of this lease agreement. Provided further that upon the  
30 expiration or termination of this lease lessee shall, at his expense, pay and  
31 clear any and all liens and other encumbrances <sup>then</sup> against the property subject of  
32 this lease.

7. Plans and specifications for the Motel Building and other improvements to be placed on the subject premises have heretofore been submitted to Lessor in duplicate for its approval, and Lessor hereby approves said plans and specifications and accepts the same and has retained one copy thereof. Should it appear necessary to make any changes in any of said plans and specifications, the parties shall agree in writing as to such changes, and Lessor shall be furnished a copy thereof which it shall retain. All construction shall be in strict conformity with such plans and specifications. Lessor shall have the right at all times to inspect such construction and the materials used therein and to require such strict conformity therewith, and its instructions in connection therewith shall be followed implicitly. Should a dispute arise between Lessor and Lessee in connection with the foregoing, it shall be submitted to the Manager of the South Sixth Street Branch of First National Bank of Oregon at Klamath Falls, Oregon, and his decision shall be binding on both parties hereto. Provided, further, that in no event shall any change or modification of said plans or specifications result in the construction and continued operation of less than 70 motel units plus one manager's unit, bar, restaurant and swimming pool, without the written consent of Lessor first had and obtained.

8. In addition to the rentals provided for Lessee shall promptly pay all taxes and assessments imposed against the subject premises of every nature and kind, subsequent to the date of the lease and during the full term thereof and file xerox copies thereof with Lessor. Said taxes and assessments shall include, but not be limited to, all state, county and city taxes, assessments of South Suburban Sanitary District and proportional portion of lighting system on South Sixth Street.

9. Lessee shall be solely responsible for the construction, operation and/or leasing of all improvements on the subject premises and shall carry fire insurance with extended coverage to full insurable value of the premises hereby let, and public liability insurance in a minimum amount of \$500,000.00. Said public liability insurance shall name Lessor as one of the insured, and memorandum copy of said insurance shall be furnished Lessor. Such policies of fire insurance shall name Lessor and Lessee and mortgagees as a loss payee as their interests may appear, and Lessee shall furnish memorandum copies of all thereof to Lessor.

1 Provided, further, that in the event Lessee should fail to maintain in force any  
2 such insurance coverage herein required, Lessor or the mortgagee or mortgagees  
3 may purchase same and hold Lessee hereunder responsible therefor. The relation-  
4 ship of the parties shall be solely that of landlord and tenant, and neither  
5 party shall hold himself out, or represent to third parties that he is a co-  
6 partner or joint adventurer in the construction or operation of the premises.

7 10. For income tax purposes Lessee shall have the exclusive right to deprecia-  
8 tion upon the buildings or other improvements placed upon the premises by Lessee  
9 to the full extent allowable, so long as the lease shall be in good standing,  
10 and Lessor shall make no claim for depreciation deduction during such time.

11 11. If any portion of the above described property should be condemned by  
12 eminent domain, all compensation received therefrom shall be divided between the  
13 parties as they may mutually agree. Lessee's share shall be paid to any then  
14 mortgage holder up to the balance then due under any such mortgage. In the event  
15 Lessee's portion of the proceeds received by any eminent domain proceeding shall  
16 be insufficient to fully pay and satisfy the balance then due to any mortgage  
17 holder, lessor's portion thereby received shall be paid to any such mortgage  
18 holder to the extent necessary to satisfy any balance remaining unpaid after app-  
19 lication and credit of Lessee's share to any such mortgage. In the event Lessor's  
20 portion of said proceeds, or any part thereof are applied and paid to said mort-  
21 gage holder, lessee promises and agrees to repay and indemnify lessor in the  
22 amount thereby paid and applied.

23 If the parties are unable to mutually agree upon the division of such  
24 compensation, each shall appoint an arbitrator, who, in turn, shall mutually  
25 select a third arbitrator. The matter of the division of compensation received  
26 shall be then arbitrated, and a decision of two of the three arbitrators shall  
27 become final and fully binding upon the parties. Either party may give notice in  
28 writing to the other of the request to arbitrate the compensation, and each party  
29 shall thereafter select an arbitrator within a period of fifteen days. The se-  
30 lection of the third arbitrator shall thereafter be made within a period of fif-  
31 teen days. Said arbitrators shall meet as promptly as possible and make a deter-  
32 mination with due diligence. In the event of the failure or refusal of either

1 party to select an arbitrator within the designated period of time, the other  
2 shall have the right to apply to the Circuit Court of Klamath County, Oregon for  
3 the appointment of such an arbitrator. Either party to this lease shall have the  
4 right to demand a judicial determination of the amount of compensation for and  
5 taking by condemnation by way of eminent domain.

6 12. Lessee agrees to hold lessor and said leased premises free and harmless  
7 from any liens, judgments or encumbrances created or suffered by Lessee (other  
8 than those subordination mortgages expressly provided for herein) and from any  
9 and all liability, penalties, losses, damages, costs and expenses, causes of ac-  
10 tion, claims or judgments arising from injury during said term to persons or  
11 property of any nature occasioned by any act or acts, omission or omissions of  
12 Lessee, his employees, agents or servants, and growing out of or in any manner  
13 connected with the use and occupation of the leased premises, and including all  
14 legal costs and charges, including counsel fees incurred in or about such matters  
15 and the defense of any action arising out of the same, or in discharging said  
16 premises, or any part thereof, from any and all liens (other than the mortgages  
17 referred to above) that may be placed thereon for charges incurred by Lessee;  
18 provided, however, that in the event any lien shall be filed or claimed against  
19 said leased premises, Lessee shall have a right to litigate the same as he may  
20 see fit to do, but in such event Lessee shall post a bond, or adequate cash moneys,  
21 for the full satisfaction and discharge of any such lien to guarantee the dis-  
22 charge thereof in the event the outcome of any such litigation should be adverse  
23 to lessee. Said bond shall be written by any commercial surety authorized to  
24 transact business in the State of Oregon. Lessor shall have the right to post  
25 notices of its non-liability for any liens at any time during the term of this  
26 lease.

27 13. Lessor covenants and agrees that so long as Lessee is not in default here-  
28 in, Lessee shall have the quiet and peaceful possession of the leased premises  
29 during the full term thereof. It is understood and agreed, however, that Lessor  
30 shall have access to the leased premises for any reasonable purpose of inspection.  
31 Lessee covenants and agrees that he will in the conduct of his business and his  
32 occupancy and use of said premises fully comply with all federal, state and

1 municipal laws, ordinances and regulations, and that he will not suffer nor com-  
2 mit any nuisance or other acts against public policy.

3 14. Lessee agrees to keep all of the improvements established or erected upon  
4 said premises in good repair at all times. No substantial alteration or change  
5 shall be made in such improvements without written consent of Lessor. Upon the ter-  
6 mination of this lease all of said improvements shall revert to Lessor.

7 15. Lessor shall cause the sixty foot service road between the leased premi-  
8 ses and South Sixth Street to be paved, and Lessee shall have access over and  
9 across the same to the leased premises. Thereafter Lessee shall, at his own ex-  
10 pense, maintain said road. Lessor shall also pave the fifty foot strip adjacent  
11 to the leased premises on Northwestern side, and Lessee shall pay one-half the  
12 cost thereof. Said adjacent strip shall be kept open for driveway purposes and  
13 parking, and Lessee shall maintain the entire strip.

14 16. Lessee covenants and agrees that he will use the leased premises solely  
15 for a motel, bar and restaurant and operations reasonably incidental thereto, and  
16 for no other purpose, without the written consent of Lessor; provided, further,  
17 that he will keep and maintain the leased premises in a clean and orderly condi-  
18 tion and will not commit nor suffer to be committed any waste, injury or damage  
19 to the leased premises, and upon expiration of the term of this lease, or upon any  
20 prior termination thereof, he will return the leased premises in good condition,  
21 reasonable wear and depreciation from normal use, damage from fire or other casual-  
22 ty excepted.

23 17. In case the premises hereby leased shall be partially damaged by fire or  
24 other calamity at any time during the term hereof, the improvements thereon shall  
25 be repaired and replaced by Lessee, or any insurance company on his behalf, with  
26 all reasonable dispatch and a proportionate reduction of rent shall be allowed  
27 Lessee for the time occupied in such repairs, excepting:

28 (a) If Lessee can use and occupy the demised premises without substantial in-  
29 convenience or loss of income, there shall be no reduction of rent; and

30 (b) If said repairs are delayed because of the failure of Lessee, or his mort-  
31 gagees, to adjust its own insurance, no reduction shall be made beyond a reason-  
32 able time allowed for such adjustment. In case the damage by fire or other cause  
shall amount to fifty per cent or more to the premises hereby leased, then and



5688

1 in that event Lessee may, at Lessee's option, exercised within sixty days from  
2 the happening of the casualty, elect to terminate this lease or to repair and  
3 reconstruct said damages upon the following terms and conditions. If lessee  
4 elects to repair said damages, Lessee shall, at his own expense, repair the  
5 damage to said premises, and Lessee shall be entitled to an abatement of the  
6 rent, or a fair and just proportion thereof, according to the nature of the  
7 damage sustained, until such premises have been made fit for occupancy and use.  
8 In this connection Lessee agrees to keep all insurable improvements placed upon  
9 the leased premises by it covered by fire and extended coverage insurance in an  
10 amount not less than the replaceable value of such improvements. Should Lessee  
11 not so elect to repair but elect to terminate this lease, then and in that event  
12 Lessor, Lessee and the mortgagee are to participate, as their respective inter-  
13 ests may appear, in whatever insurance proceeds may be recovered as a result of  
14 such a casualty. This being the case, in addition to appropriate mortgagees'  
15 clauses affixed to said policies of insurance appropriate to the execution of the  
16 subordination mortgages referred to above, Lessor and mortgagee shall be named  
17 as loss payees as their interests may appear under such policies. In the event  
18 loss by fire or other calamity shall result in the termination of this lease as  
19 set forth in this paragraph, the loss payable under such policies of insurance  
20 shall be payable to the parties as their interests may appear. All fire insurance  
21 or extended coverage policies carried by the parties shall be written in such a  
22 manner that both parties waive any subrogation rights of their respective insur-  
23 ance carriers for any loss sustained by either of them. Both parties shall take  
24 such steps as may be necessary to inform such carriers of this agreement and to  
25 have riders, if the same are required, placed on said insurance policies to carry  
26 the provisions of this paragraph into effect, provided that such waivers of sub-  
27 rogation can be secured by insurance companies qualified to transact business in  
28 the State of Oregon. If Lessor and Lessee are unable to mutually agree upon the  
29 division of any such insurance proceeds, each then shall submit the matter to  
30 arbitration in the same manner and form as contained in the covenant hereunder  
31 pertaining to condemnation by eminent domain, set forth in paragraph 11 supra.  
32 Furthermore, should Lessee elect to reconstruct the premises but with changes in

1 plans and specifications resulting in materially altering the improvements on  
2 the subject premises, then and in that event any such new plans and specifications  
3 shall first be submitted to lessor for its approval. Should the parties be un-  
4 able to mutually agree in this regard, then and in that event this matter as  
5 well shall be submitted to arbitration in the same form and manner as heretofore  
6 set forth in paragraph 11 supra.

7 18. All notices required to be given to Lessor hereunder shall be directed  
8 to P.O.Box 428, Klamath Falls, Oregon, and all notices required to be given to  
9 Lessee shall be directed to Route 5, Box 813, Eugene, Oregon. Any notices required  
10 to be given hereunder shall be given by United States certified mail, or the eq-  
11 uivalent thereof. In the event either party should desire to change the address  
12 at which notices are to be directed, the same shall be accomplished by United  
13 States certified mail, directed to addresses as set forth herein.

14 19. Lessee shall retain title to all movable furniture and trade fixtures  
15 placed in the property by him and shall not remove said property from the premi-  
16 ses before the expiration of this lease, except that the lessee shall have the  
17 right to replace by reason of obsolescence or modernization at any time during  
18 the term of this lease any and all items originally or subsequently installed,  
19 provided only that such replacements shall be then fully paid for, and in the  
20 event of default on the part of lessee, lessor shall have the right to purchase  
21 the furniture and fixtures, or any of them, at their then depreciated value as  
22 shown by lessee's federal income tax returns. As part of the purchase price  
23 lessor may assume any mortgage, contract or security agreement then on said  
24 furniture and fixtures. Lessee agrees to execute to lessor chattel mortgage or  
25 security agreement on such furniture and fixtures and all replacements and addi-  
26 tions thereto <sup>immediately on installation thereof</sup> as further security for the performance of all of the terms and  
27 conditions of this lease by lessee, which shall, however, be subordinate to  
28 prior security agreements executed for the purchase price thereof. The first  
29 mortgage or security agreement on such furniture and fixtures shall provide that  
30 lessor shall be given notice of any default therein and shall have the right for  
31 sixty days after notice of such default to remedy the same before any termination  
32 or foreclosure thereof. The parties shall execute and record such UCC forms as

1 may be necessary to carry out the terms of this paragraph.

2 20. If lessee fails or defaults in the faithful performance or keeping of  
3 any of the terms, provisions or conditions of this lease to be kept and perform-  
4 ed by him during said term, or if Lessee does not properly and fully make any  
5 payment of rent within the time stipulated, time being of the essence of this  
6 lease, then Lessor, at its option, may terminate and end this lease and all  
7 rights of Lessee hereunder, and re-enter said premises and remove all persons  
8 and property therefrom and take over and operate the business thereat, and in  
9 that event Lessor shall succeed to the interest of Lessee in any subleases of  
10 the premises or any part thereof, and lessee shall, at the request of lessor,  
11 assign all such subleases to Lessor; provided, however, that before exercising  
12 the option hereby granted to terminate this lease, Lessor shall first notify  
13 Lessee in writing and give Lessee 30 days in which to remove such breach or de-  
14 fault, if any in fact exists. The rights and remedies herein provided for shall  
15 in no way be deemed to be exclusive and shall be in addition to such other rights  
16 and remedies as Lessor may have at law or in equity for the collection of rent  
17 or to enforce any of the covenants and conditions hereof. In the event suit or  
18 action is instituted to enforce the terms and provisions of this agreement, or  
19 for breach thereof, the prevailing party in such suit or action shall be entitled  
20 to such sum as attorney's fees, including attorney's fees and costs incurred in  
21 prosecuting said claim through the Oregon Supreme Court, or any other Court of  
22 Appeal.

23 21. The waiver of any breach of terms, covenants or conditions contained here-  
24 in shall not be construed a continuing waiver or a waiver of any such breach  
25 thereafter.

26 22. This lease shall not be assigned or sublet by Lessee without written con-  
27 sent of Lessor first had and obtained. Lessor shall not unreasonably withhold  
28 such consent. In the event Lessor consents to such assignment or subletting the  
29 Lessee shall be discharged from any and all obligations created by this lease  
30 arising on or after the date of such assigning or subletting. In the event  
31 Lessor and Lessee cannot mutually agree to any such proposed assigning or sub-  
32 letting, such shall be submitted to arbitration by Lessor selecting a bank

1 officer, Lessee selecting a bank officer, and the two bank officers selecting a  
2 third bank officer, and both Lessor and Lessee shall hereby be bound by the  
3 decision of said arbitrators.

4 IN WITNESS WHEREOF, Lessor, pursuant to resolution of its Board of Directors  
5 duly and legally adopted, has caused these presents to be executed by its  
6 President and its Secretary and its corporate seal to be hereunto affixed, and  
7 Lessee has hereunto set his hand and seal, all on the day and year first here-  
8 in written.

9  
10 (SEAL)

SWAN LAKE MOULDING COMPANY

11 BY [Signature]  
Its President

12 and BY [Signature]  
Its Secretary

13 (LESSOR)

14  
15 [Signature] (SEAL)  
(LESSEE)

16 STATE OF OREGON )  
17 ) SS  
County of Klamath )

18 On this 24 day of July, 1967, before me appeared Alfred D. Collier and  
19 Dorothy V. Collier, both to me personally known, who being duly sworn, did say  
20 that he, the said Alfred D. Collier is the President, and she, the said Dorothy  
21 V. Collier, is the Secretary of Swan Lake Moulding Company, the within named  
22 Corporation, and that the seal affixed to said instrument is the corporate seal  
of said corporation, and that said instrument was signed and sealed in behalf  
and Dorothy V. Collier acknowledged said instrument to be the free act and deed  
of said corporation.

23 IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal  
the day and year last above written.

24 [Signature]  
Notary Public for Oregon

25 My Commission expires: Dec 14, 1969

26 STATE OF OREGON ) [Signature]  
27 ) SS July 31, 1967  
County of Klamath )

28 Personally appeared the above named Curtis O. Baney and acknowledged the  
29 foregoing instrument to be his voluntary act and deed. Before me:

30 [Signature]  
Notary Public for Oregon

31 STATE OF OREGON, My Commission expires, ss. 11/2/67

32 Filed for record in \_\_\_\_\_ Klamath Falls, Oregon  
this \_\_\_\_\_ day of August, \_\_\_\_\_ A.M., and

duly recorded in Vol. \_\_\_\_\_, Page \_\_\_\_\_  
By \_\_\_\_\_ County Clerk