

LEASE AGREEMENT

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THIS AGREEMENT, made and entered into at Klamath Falls, Oregon, this
24 day of March, 1971, by and between SWAN LAKE MOULDING COMPANY,
an Oregon corporation, hereinafter referred to as Lessor, and CURTIS O. BANEY,
hereinafter referred to as Lessee,

WITNESSETH:

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. 00 deg. 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 Dalles-California State Highway, also
known as South Sixth Street, as the same is now located and construct-
ed; thence S. 55 deg. 52 $\frac{1}{2}$ ' E. along said parallel line 1396.6 feet to
a point from which the cross chiseled in the concrete sidewalk bears
N. 34 deg. 07 $\frac{1}{2}$ ' E. 11. feet; thence at right angles to South Sixth
Street S. 34 deg. 07 $\frac{1}{2}$ ' W. fifty feet to point "A" the true point of
beginning of this description; thence S. 55 deg. 52 $\frac{1}{2}$ ' E. parallel to
South Sixth Street 200. feet to point "B" from which a cross chiseled
in a 5/8-inch steel rebar set in the asphalt roadway bears N. 34 deg.
07 $\frac{1}{2}$ ' E. 61. feet; thence at right angles to South Sixth Street S. 34
deg. 07 $\frac{1}{2}$ ' W. 258.6 feet to point "C"; thence N. 66 deg. 57 $\frac{1}{2}$ ' W. para-
llel to the northerly right of way line of the O.C.&E. RR 203.8 feet
to point "D"; thence N. 34 deg. 07 $\frac{1}{2}$ ' E. 297.8 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 ap-
proximately 125 feet southerly at right angles from the line "A" "B,"
but granting joint use of this sewer subject to the rules of the
South Suburban Sanitary District; and subject to that certain right
of way for poles and wires for electric service granted to California
Oregon Power Company recorded February 19, 1947, in Book 202,
Page 29, of Klamath County Deed Records;

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 the period to July 31, 2027,
commencing on the date of execution of this lease by both parties hereto.
2. Lessee agrees to lease said premises from Lessor for said period

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1 and pay as rental therefor the sum of EIGHT HUNDRED FIFTY DOLLARS per month
2 net during the term of said lease, excepting as such amount may be modified
3 as hereinafter set forth, with the first monthly rental period to begin on
4 the 10th day of the month following the completion of a structure to be con-
5 structed on said property as hereinafter provided for.

6 3. Notwithstanding the provisions of paragraph 2 hereof, it is agreed
7 that aforesaid monthly rent is a minimum rent payable each month as provided
8 for in paragraph 2 hereof. In addition thereto, and by reason of the length
9 of this lease, it is agreed that said rental may be adjusted upward, based on
10 increased cost of living, but that said upward increase must be determined as
11 follows: At the end of each three years during the life of this lease, Lessor
12 and Lessee shall consult the latest "Consumer Price Index, U. S. City Average;
13 and selected areas of the monthly Labor Review published by the United States
14 Department of Labor, Bureau of Labor Statistics; and in this connection it is
15 agreed that at the time of executing this lease the index for all items is
16 shown to be 137.8, which is for the month of November 1970 (1957-1959=100);
17 and if, during the continuance of this lease, said price index as shown by
18 said publication discloses an increase over said index figure of 137.8, then
19 the monthly rental herein provided shall be proportionately raised, based on
20 said increase. Once changed by being increased, the resultant rentals shall
21 continue in effect until the next change that may be required by said statistics.
22 It is also the intent of this Agreement that if, after an increase in rental
23 is made as agreed above, the cost-of-living index should then decline, a like
24 reduction in the rental figure shall be effected in accordance with the fore-
25 going terms; provided, again, that in no event shall the rental figure be re-
26 duced below the minimum figure indicated above. It is further agreed that
27 should the Consumer Price Index above specifically described be replaced and
28 supplanted by a new federal government statistic which is intended to and
29 does take the place of the foregoing statistic, that then said new statistic
30 shall govern and control in connection herewith; provided, however, that any
31 increase or decrease shall further allow for any increase or decrease in the
32 superseded index.

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1 4. Lessee shall construct on said premises a modern motel, consisting
2 of forty-one rental units, a laundry, and the necessary parking facilities,
3 in keeping with the city, county, and state planning commission requirements
4 pertaining thereto. Construction of said motel shall be commenced by Lessee
5 forthwith and continued until it is completed and ready for occupancy. Lessee
6 shall have until July 1, 1971, in which to complete the construction thereof,
7 and the basic rental of Eight Hundred Fifty Dollars per month shall become
8 operative on the 10th day of the month following the month of the completion
9 thereof. Should the construction of the motel be completed and ready for
10 occupancy sooner than July 1, 1971, then, in any such event, the basic monthly
11 rental income shall begin on the 10th day of the month following the earlier
12 month of completion. Should the Lessee be precluded from completing the
13 structure by the intervention of strikes or acts of God, or other happenings
14 over which Lessee has no control, then, in that event, the aforesaid operative
15 rental date shall be extended by the number of days lost thereby, but for no
16 other reason.

17 5. It is within the contemplation of the parties that Lessee shall
18 acquire and secure major financing to cover the cost of the construction and
19 to furnish the Chattels required in connection with a motel operation. Lessor
20 agrees to subordinate its interest and title in said premises and chattels
21 to a maximum sum no greater than \$5,000.00 per motel rental unit, and no more,
22 for the term and amount of said mortgage; provided that the maximum interest
23 rate Lessee shall pay for any such financing is not more than 9 percent per
24 annum simple interest. Lessor shall not become obligated on any note or
25 notes secured by such mortgage or mortgages, but shall execute said mortgage
26 or mortgages with Lessee.

27 Lessee shall bear any and all cost connected with any financing of the
28 buildings to be constructed on the premises hereby let, including the cost
29 of title insurance; provided, further, that Lessee shall not at the end of
30 aforesaid mortgage period, or in the interim, extend the existing mortgage or
31 refinance said motel on a basis by which Lessor is required to subordinate to
32 any such lender, without the written consent of Lessor. Said mortgage shall

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1 be for a term of not over twenty years and in an amount not in excess of
2 \$210,000.00.

3 6. Lessor's agreement herein to subordinate for the term of the
4 mortgage to be given by Lessee in favor of First National Bank of Oregon is
5 conditioned upon a collateral agreement by mortgagee or mortgagees, with
6 Lessor, that Lessor will be given written notice by Mortgagee or Mortgagees
7 of any default by Lessee in its note or mortgage obligation. And such collateral
8 agreement between Mortgagee or Mortgagees and Lessor shall further provide
9 that notwithstanding strict foreclosure covenants contained in any mortgage
10 or mortgages to which Lessor as the landowner will be co-mortgagor, Lessor
11 shall have not less than 90 days after written notice from Mortgagee or Mort-
12 gagees within which Lessor may, at its option, cure any default prior to the
13 institution of foreclosure proceedings by Mortgagee or Mortgagees. And still
14 further provided that until said notice to Lessor and the expiration of 90
15 days, the balance of the unpaid principal with accrued interest, and all in-
16 debtedness secured by said mortgage or mortgages, shall not be deemed to have
17 been accelerated by virtue of any default so as to render the total indebted-
18 ness due and payable; but Lessor shall have the opportunity to reinstate by
19 curing the then existing defaults. In the absence of such a collateral
20 agreement, Lessor shall not be obligated to subordinate its title to the
21 subject premises or enter into any mortgage or mortgages.

22 Should Lessee become in default with Mortgagee or Mortgagees, and
23 notice given to Lessor, and Lessor, at its option, cure the default or defaults
24 and carry out the obligations of the note, notes, mortgage, or mortgages, all
25 of Lessor's expenditures therefor shall draw interest until repaid at the
26 rate of 8% per annum, to be payable by Lessee on demand; and Lessor may, at
27 its option, sue to collect any and all of the aforesaid payments without
28 terminating the lease and without affecting the right to terminate this lease
29 at any future time. And in the event such suit or action is instituted, Lessor
30 shall be entitled to such sum as attorneys' fees as the Court may adjudge
31 reasonable therein, including attorneys' fees and costs incurred in prosecut-
32 ing said claim through the Oregon Supreme Court or any other Court of Appeal.

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1 Any failure or default by Lessee in the faithful performance of keeping any
2 of the covenants or any note, notes, mortgage, or mortgages pertaining to
3 the subject premises shall constitute a failure or default in the performance
4 of this lease agreement. Provided, further, that upon the expiration or
5 termination of this lease, Lessee shall, at his expense, pay and clear any
6 and all liens and other encumbrances then against the property subject of
7 this lease.

8 7. Plans and specifications for the Motel Building and other improve-
9 ments to be placed on the subject premises have heretofore been submitted
10 to Lessor in duplicate for its approval, and Lessor hereby approves said plans
11 and specifications and accepts the same and has retained one copy thereof.
12 Should it appear necessary to make any changes in any of said plans and spe-
13 cifications, the parties shall agree in writing as to such changes, and Lessor
14 shall be furnished a copy thereof, which it shall retain. All construction
15 shall be in strict conformity with such plans and specifications. Lessor
16 shall have the right at all times to inspect such construction and the materials
17 used therein and to require such strict conformity therewith, and its in-
18 structions in connection therewith shall be followed implicitly. Should
19 a dispute arise between Lessor and Lessee in connection with the foregoing,
20 it shall be submitted to the Manager of the South Sixth Street Branch of the
21 First National Bank of Oregon at Klamath Falls, Oregon; and his decision shall
22 be binding on both parties hereto. Provided, further, that in no event shall
23 any change or modification of said plans or specifications result in the
24 construction and continued operation of less than 41 motel units plus one
25 laundry, without the written consent of Lessor first had and obtained.

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

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1 9. Lessee shall be solely responsible for the construction, opera-
2 tion, and/or leasing of all improvements on the subject premises and shall
3 carry fire insurance with extended coverage to full insurable value of the
4 premises hereby let, and public liability insurance in a minimum amount of
5 \$500,000.00. Said public liability insurance shall name Lessor as one of the
6 insured, and memorandum copy of said insurance shall be furnished Lessor.
7 Such policies of fire insurance shall name Lessor and Lessee and mortgagees
8 as a loss payee as their interests may appear, and Lessee shall furnish
9 memorandum copies of all thereof to Lessor. Provided, further, that in the
10 event Lessee should fail to maintain in force any such insurance coverage
11 herein required, Lessor, or the mortgagee or mortgagees, may purchase same
12 and hold Lessee hereunder responsible therefor. The relationship of the parties
13 shall be solely that of landlord and tenant; and neither party shall hold
14 himself out, or represent to third parties that he is a copartner or joint
15 adventurer in the construction or operation of the premises.

16 10. For income tax purposes, Lessee shall have the exclusive right
17 to depreciation upon the buildings or other improvements placed upon the
18 premises by Lessee to the full extent allowable, so long as the lease shall
19 be in good standing; and Lessor shall make no claim for depreciation deduction
20 during such time.

21 11. If any portion of the above-described property should be con-
22 demned by eminent domain, all compensation received therefrom shall be divided
23 between the parties as they may mutually agree. Lessee's share shall be paid
24 to any then mortgage holder up to the balance then due under any such mort-
25 gage. In the event Lessee's portion of the proceeds received by any eminent
26 domain proceeding shall be insufficient to fully pay and satisfy the balance
27 then due to any mortgage holder, Lessor's portion thereby received shall be
28 paid to any such mortgage holder to the extent necessary to satisfy any bal-
29 ance remaining unpaid after application and credit of Lessee's share to any
30 such mortgage. In the event Lessor's portion of said proceeds, or any part
31 thereof, are applied and paid to said mortgage holder, Lessee promises and
32 agrees to repay and indemnify Lessor in the amount thereby paid and applied.

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1 If the parties are unable to mutually agree upon the division of such
2 compensation, each shall appoint an arbitrator, who, in turn, shall mutually
3 select a third arbitrator. The matter of the division of compensation received
4 shall be then arbitrated, and a decision of two of the three arbitrators shall
5 become final and fully binding upon the parties. Either party may give notice
6 in writing to the other of the request to arbitrate the compensation, and
7 each party shall thereafter select an arbitrator within a period of fifteen
8 days. The selection of the third arbitrator shall thereafter be made within
9 a period fifteen days. Said arbitrators shall meet as promptly as possible
10 and make a determination with due diligence. In the event of the failure or
11 refusal of either party to select an arbitrator within the designated period
12 of time, the other shall have the right to apply to the Circuit Court of
13 Klamath County, Oregon, for the appointment of such an arbitrator. Either
14 party to this lease shall have the right to demand a judicial determination
15 of the amount of compensation for and taking by condemnation by way of eminent
16 domain.

17 12. Lessee agrees to hold Lessor and said leased premises free and
18 harmless from any liens, judgments, or encumbrances created or suffered by
19 Lessee (other than those subordination mortgages expressly provided for here-
20 in) and from any and all liability, penalties, losses, damages, costs and
21 expenses, causes of action, claims, or judgments arising from injury during
22 said term to persons or property of any nature occasioned by any act or acts,
23 omission or omissions of Lessee, his employees, agents, or servants, and grow-
24 ing out of or in any manner connected with the use and occupation of the
25 leased premises, and including all legal costs and charges, including counsel
26 fees incurred in or about such matters and the defense of any action arising
27 out of the same or in discharging said premises, or any part thereof, from
28 any and all liens (other than the mortgages referred to above) that may be
29 placed thereon for charges incurred by Lessee; provided, however, that in the
30 event any lien shall be filed or claimed against said leased premises, Lessee
31 shall have a right to litigate the same as he may see fit to do; but in such
32 event Lessee shall post a bond, or adequate cash moneys, for the full satisfaction

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1 and discharge of any such lien to guarantee the discharge thereof in the
2 event the outcome of any such litigation should be adverse to Lessee. Said
3 bond shall be written by any commercial surety authorized to transact business
4 in the State of Oregon. Lessor shall have the right to post notices of its
5 nonliability for any liens at any time during the term of this lease.

6 13. Lessor covenants and agrees that so long as Lessee is not in
7 default herein Lessee shall have the quiet and peaceful possession of the
8 leased premises during the full term thereof. It is understood and agreed,
9 however, that Lessor shall have access to the leased premises for any reason-
10 able purpose of inspection. Lessee covenants and agrees that he will in the
11 conduct of his business and his occupancy and use of said premises fully
12 comply with all federal, state, and municipal laws, ordinances, and regulations,
13 and that he will not suffer nor commit any nuisance or other acts against
14 public policy.

15 14. Lessee agrees to keep all of the improvements established or
16 erected upon said premises in good repair at all times. No substantial al-
17 teration or change shall be made in such improvements without written consent
18 of Lessor. Upon the termination of this lease, all of said improvements shall
19 revert to Lessor.

20 15. Lessor shall cause the sixty-foot service road between the leased
21 premises and South Sixth Street to be paved, and Lessee shall have access
22 over and across the same to the leased premises. Thereafter Lessee shall,
23 at his own expense, maintain said road.

24 16. Lessee covenants and agrees that he will use the leased premises
25 *and for subsisting for compatible commercial purposes.* solely for a motel and operations reasonably incidental thereto, and for no
26 other purposes, without the written consent of Lessor; provided, further,
27 that he will keep and maintain the leased premises in a clean and orderly
28 condition and will not commit, nor suffer to be committed, any waste, injury,
29 or damage to the leased premises; and upon expiration of the term of this
30 lease, or upon any prior termination thereof, he will return the leased premi-
31 ses in good condition, reasonable wear and depreciation from normal use,
32 damage from fire, or other casualty excepted.

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

6 (a) If Lessee can use and occupy the demised premises without sub-
7 stantial inconvenience or loss of income, there shall be no reduction of
8 rent; and

9 (b) If said repairs are delayed because of the failure of Lessee, or
10 his mortgagees, to adjust its own insurance, no reduction shall be made beyond
11 a reasonable time allowed for such adjustment. In case the damage by fire or
12 other cause shall amount to fifty percent or more to the premises hereby
13 leased, then and in that event Lessee may, at Lessee's option exercised within
14 sixty days from the happening of the casualty, elect to terminate this lease
15 or to repair and reconstruct said damages upon the following terms and con-
16 ditions. If Lessee elects to repair said damages, Lessee shall, at his own
17 expense, repair the damage to said premises; and Lessee shall be entitled to
18 an abatement of the rent, or a fair and just proportion thereof, according to
19 the nature of the damage sustained, until such premises have been made fit
20 for occupancy and use. In this connection, Lessee agrees to keep all insurable
21 improvements placed upon the leased premises by it covered by fire and extended
22 coverage insurance in an amount not less than the replaceable value of such
23 improvements. Should Lessee not so elect to repair but elect to terminate
24 this lease, then and in that event Lessor, Lessee, and the mortgagee are to
25 participate, as their respective interests may appear, in whatever insurance
26 proceeds may be recovered as a result of such a casualty. This being the
27 case, in addition to appropriate mortgagees' clauses affixed to said policies
28 of insurance appropriate to the execution of the subordination mortgages re-
29 ferred to above, Lessor and mortgagee shall be named as loss payees as their
30 interests may appear under such policies. In the event loss by fire or other
31 calamity shall result in the termination of this lease as set forth in this
32 paragraph, the loss payable under such policies of insurance shall be payable

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1 to the parties as their interests may appear. All fire insurance or extended
2 coverage policies carried by the parties shall be written in such a manner
3 that both parties waive any subrogation rights of their respective insurance
4 carriers for any loss sustained by either of them. Both parties shall take
5 such steps as may be necessary to inform such carrier of this agreement and
6 to have riders, if the same are required, placed on said insurance policies
7 to carry the provisions of this paragraph into effect; provided that such
8 waivers of subrogation can be secured by insurance companies qualified to
9 transact business in the State of Oregon. If Lessor and Lessee are unable
10 to mutually agree upon the division of any such insurance proceeds, each then
11 shall submit the matter to arbitration in the same manner and form as contained
12 in the covenant hereunder pertaining to condemnation by eminent domain set
13 forth in paragraph 11 supra. Furthermore, should Lessee elect to reconstruct
14 the premises but with changes in plans and specifications resulting in
15 materially altering the improvements on the subject premises, then and in that
16 event any such new plans and specifications shall first be submitted to Lessor
17 for its approval. Should the parties be unable to mutually agree in this
18 regard, then and in that event this matter as well shall be submitted to
19 arbitration in the same form and manner as heretofore set forth in paragraph
20 11 supra.

21 18. All notices required to be given to Lessor hereunder shall be
22 directed to P. O. Box 428, Klamath Falls, Oregon 97601; and all notices re-
23 quired to be given to Lessee shall be directed to Route 5, Box 813, Eugene,
24 Oregon 97401. Any notices required to be given hereunder shall be given by
25 United States certified mail, or the equivalent thereof. In the event either
26 party should desire to change the address at which notices are to be directed,
27 the same shall be accomplished by United States certified mail directed to
28 addresses as set forth herein.

29 19. Lessee shall retain title to all movable furniture and trade
30 fixtures placed in the property by him and shall not remove said property
31 from the premises before the expiration of this lease, except that the Lessee
32 shall have the right to replace by reason of obsolescence or modernization

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1 at any time during the term of this lease any and all items originally or
2 subsequently installed; provided, only, that such replacements shall be then
3 fully paid for; and in the event of default on the part of Lessee, Lessor shall
4 have the right to purchase the furniture and fixtures, or any of them, at
5 their then depreciated value as shown by Lessee's federal income tax returns.
6 As part of the purchase price, Lessor may assume any mortgage, contract, or
7 security agreement then on said furniture and fixtures. Lessee agrees to
8 execute to Lessor chattel mortgage or security agreement on such furniture
9 and fixtures, and all replacements and additions thereto immediately on
10 installation thereof as further security for the performance of all of the
11 terms and conditions of this lease by Lessee, which shall, however, be
12 subordinate to prior security agreements executed for the purchase price
13 thereof. The first mortgage or security agreement on such furniture and
14 fixtures shall provide that Lessor shall be given notice of any default therein
15 and shall have the right for sixty days after notice of such default to remedy
16 the same before any termination or foreclosure thereof. The parties shall
17 execute and record such UCC forms as may be necessary to carry out the terms
18 of this paragraph.

19 20. If Lessee fails or defaults in the faithful performance or keeping
20 of any of the terms, provisions, or conditions of this lease to be kept and
21 performed by him during said term, or if Lessee does not properly and fully
22 make any payment of rent within the time stipulated, time being of the essence
23 of this lease, then Lessor, at its option, may terminate and end this lease
24 and all rights of Lessee hereunder, and re-enter said premises and remove all
25 persons and property therefrom, and take over and operate the business thereat;
26 and in that event Lessor shall succeed to the interest of Lessee in any sub-
27 leases of the premises or any part thereof, and Lessee shall, at the request
28 of Lessor, assign all such subleases to Lessor; provided, however, that before
29 exercising the option hereby granted to terminate this lease, Lessor shall
30 first notify Lessee in writing and give Lessee 30 days in which to remove
31 such breach or default, if any in fact exists. The rights and remedies herein
32 provided for shall in no way be deemed to be exclusive and shall be in

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1 addition to such other rights and remedies as Lessor may have at law or in
2 equity for the collection of rent or to enforce any of the covenants and
3 conditions hereof. In the event suit or action is instituted to enforce the
4 terms and provisions of this agreement, or for breach thereof, the prevailing
5 party in such suit or action shall be entitled to such sum as attorneys' fees,
6 including attorneys' fees and costs incurred in prosecuting said claim through
7 the Oregon Supreme Court or any other Court of Appeal.

8 21. The waiver of any breach of terms, covenants, or conditions
9 contained herein shall not be construed a continuing waiver or a waiver of any
10 such breach thereafter.

11 22. Lessee is also leasing from Lessor by lease dated July 31, 1967,
12 the adjacent premises in which Lessee is operating his Cimarron Motel and
13 Restaurant business. This lease shall not be assigned or sublet without also
14 assigning or subletting said lease of July 31, 1967, and both leases shall not
15 be assigned or sublet without written consent of Lessor first had and obtained.
16 Lessor shall not unreasonably withhold such consent. Such assigning or sub-
17 letting shall bind sublessee or assignee to all the terms and conditions of
18 the original leases between the parties but shall not discharge Lessee from
19 his obligations created by this lease.

20 In the event the parties cannot mutually agree to any such proposed
21 assigning or subletting, such shall be submitted to arbitration by Lessor
22 selecting a bank officer, Lessee selecting a bank officer, and the two bank
23 officers selecting a third bank officer; and both Lessor and Lessee shall
24 hereby be bound by the decision of said arbitrators.

25 23. It is understood and agreed that Charley Ramp is now leasing
26 the used car lot which is 100' deep lying along the line "A" "B" of this
27 property from month to month and using the buildings thereon belonging to
28 Lessor at a rental of \$260.00 per month. Until such time as Lessee shall give
29 30-day notice of request for vacation of this lot to Charley Ramp and to
30 Lessor, Charley Ramp and the buildings may remain on this lot upon payment
31 of the \$260.00 to Lessee, who shall, in turn, pay Lessor \$60.00 per month for
32 the use of the buildings. Upon receipt of written notice to vacate, Lessor

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1 shall within 30 days remove said buildings, in which case said \$60.00 per
2 month shall terminate.

3 24. It is expressly understood and agreed that a default on either
4 this lease or the lease dated July 31, 1967, between the parties shall be
5 deemed a default of both leases, entitling Lessor to pursue the remedies
6 available to it on default of both leases.

7 IN WITNESS WHEREOF, Lessor, pursuant to resolution of its Board of
8 Directors duly and legally adopted, has caused these presents to be executed
9 by its President and its Secretary and its corporate seal to be hereunto
10 affixed; and Lessee has hereunto set his hand and seal, all on the day and
11 year first herein written.

SWAN LAKE MOULDING COMPANY

By [Signature]
Its President

And By [Signature]
Its Secretary (LESSOR)

[Signature] (SEAL)
(LESSEE)

20 STATE OF OREGON)
21) ss.
22 County of Klamath)

22 On this 24 day of March, 1971, before me appeared ALFRED D.
23 COLLIER and DOROTHY V. COLLIER, both to me personally known, who, being duly
24 sworn, did say that he, the said Alfred D. Collier, is the President, and
25 she, the said Dorothy V. Collier, is the Secretary of SWAN LAKE MOULDING
26 COMPANY, the within-named corporation, and that the seal affixed to said in-
strument is the corporate seal of said corporation, and that said instrument
was signed and sealed in behalf of said corporation by authority of its Board
of Directors, and Alfred D. Collier and Dorothy V. Collier acknowledged said
instrument to be the free act and deed of said corporation.

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

[Signature]
Notary Public for Oregon
My Commission expires: April 5, 1974
March 2, 1971.

29 STATE OF OREGON, County of Klamath) ss.

30 Personally appeared the above-named CURTIS O. BANEY and acknowledged the
31 foregoing instrument to be his voluntary act and deed. BEFORE ME:

[Signature]
Notary Public for Oregon
My Commission expires: April 5, 1974

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& GORDON
ATTORNEYS AT LAW
KLAMATH FALLS, ORE.

Page 13 - LEASE

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of First National Bank, South Sixth Street Branch
this 9th day of March, A. D., 19 71 at 16:50 o'clock A. M., and duly recorded in
Vol. M 71, of Deeds on Page 1964

fee \$19.50

WM. D. MILNE, County Clerk
[Signature]

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