

46359

LEASE

Vol. 1885 Page 1. 2973

THIS LEASE, made this 26th day of February, 1985, between CLYDE E. LANG, LAURA A. LANG, D. CLAYTON GANGNES and DONNA L. GANGNES, hereinafter referred to as "Landlord", and TULE VENEER, INC., hereinafter referred to as "Tenant".

WITNESSETH

RECITALS:

A. The subject of this Lease is bare land, located as more particularly described herein, and is for the purpose of the installation and operation of a veneer plant; and,

B. Said veneer plant will be a benefit to the remainder of the land owned by the Landlord, as it will benefit the sawmill that is being operated on the remainder of the land; and

C. The sawmill will be of benefit to the veneer plant, and thus this Lease is for the mutual benefit of the parties with respect to more than the payment of rent from the Tenant to the Landlord.

NOW, THEREFORE, the truth of the foregoing Recitals is hereby acknowledged and the parties hereby agree as follows:

1. PREMISES. Landlord, subject to the terms and conditions hereinafter set forth, leases to the Tenant a portion of the land located in Klamath County, Oregon, described as Township 41 South, Range 13 East, of the Willamette Meridian, Section 19: SE $\frac{1}{4}$ NW $\frac{1}{4}$ and Government Lot 4. The said portion of the foregoing described land, more particularly described on Exhibit A, which is attached hereto and incorporated herein.

2. TERM. The term of this Lease is from February ____, 1985, and is for a period of TWENTY (20) years.

3. RENT. Tenant agrees to pay to Landlord for the premises a monthly rental of THREE HUNDRED DOLLARS (\$300.00) per month, starting with the first day of the term of this Lease and on the like day of each and every month thereafter during the term of this Lease.

4. "AS IS". The premises are leased to the Tenant "as is", and Tenant acknowledges that no promise to repair or alter the subject premises has been made, no representations have been made to Tenant by Landlord or any agent of Landlord, that are not reduced to writing and as a part of this written Lease.

-1- Lease

Ret.
RONALD L. SALTER
ATTORNEY AT LAW
94 THIRD STREET
ASHLAND, OREGON 97520

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5. LIABILITY. Tenant agrees that the Landlord shall not be liable to the Tenant for any damage to or loss of personal property located in the premises or for injuries to persons, unless such damage, loss or injury is the result of the act or negligence of the Landlord or its employees or agents.

6. TENANT'S IMPROVEMENTS. It is understood that the demised premises are without improvements and it is contemplated that improvements shall be made by the Tenant at the Tenant's sole cost and expense. Upon the termination of this Lease, Tenant shall be allowed to come upon the premises and remove all improvements made by Tenant, or at Tenant's option, said improvements may be left in whole or in part.

7. MAINTENANCE. All maintenance responsibilities are those of the Tenant.

8. LIABILITY INSURANCE. When the Tenant has completed the necessary improvements upon the demised premises so as to begin operation of the veneer mill, then at that time, Tenant shall acquire and thereafter maintain at Tenant's own expense, insurance protecting, indemnifying and naming Landlord as an additional insured against any and all claims for injury or damage to persons or property occurring upon, in or about the leased premises. This insurance shall be in the amount of a combined single limit of \$500,000.00 for bodily injury or death, and not less than \$50,000.00 for property damage. Such insurance shall be in a reliable insurance company and shall contain a provision whereby the insurer agrees not to cancel the insurance without thirty (30) days prior written notice to the Landlord.

9. RENTAL PAYMENTS. All payments due hereunder are to be paid to the Landlord at such location as Landlord may direct.

10. DEFAULT. In the event of default by Tenant in the payment of the within rentals for a period of thirty (30) days, all rights of the Tenant herein shall wholly cease and terminate and Landlord may forthwith repossess the within premises, or Landlord may, at their option, commence an action at law for the collection of all rentals accrued or becoming payable for the term hereof, or avail themselves of other and further relief that may be lawful in the premises. No notice of any default is required and shall be made by personal delivery to President, Secretary, Treasurer or Vice-President of the Tenant,

-2- Lease

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and Tenant thereafter shall have Twenty (20) days within which to cure any default.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals the day and year first above written.

Clyde E. Lang
CLYDE E. LANG
Laura A. Lang
LAURA A. LANG
D. Clayton Gangnes
D. CLAYTON GANGNES
Donna L. Gangnes
DONNA L. GANGNES

STATE OF OREGON)
: ss.
County of Jackson)

BE IT REMEMBERED that on this 26 day of February, 1985, before me the undersigned, a Notary Public in and for said County and State, personally appeared the within named CLYDE E. LANG, LAURA A. LANG, D. CLAYTON GANGNES, and DONNA L. GANGNES, who are known to me to be the identical individuals described in and who executed the within instrument, having acknowledged to me that they executed the same freely and voluntarily.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year last above written.

Ronda J. Wood
Notary Public for Oregon
My Commission expires: 4-22-86

TULE VENEER, INC., an Oregon
Corporation

By *James Warner*, President *Warner*

By *James Cauthen*, Secretary *Cauthen*

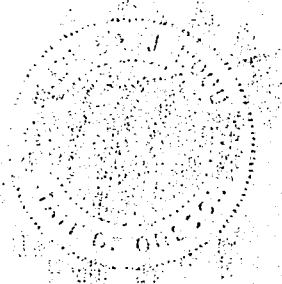
STATE OF OREGON)
: ss.
County of Jackson)

BE IT REMEMBERED that on this 26 day of February, 1985, before the undersigned, a Notary Public in and for said County and State,

personally appeared Jim Warner, President and
James Cauthron, Secretary of TULE VENEER, INC., an
Oregon Corporation, who are known to me to be the said individuals
who executed the within instrument, having acknowledged to me they
have executed the same freely and voluntarily.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the
day and year last above written.

Rhonda J. Wood
Notary Public for Oregon
My Commission expires: 11-22-86



Exh. b. t A

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Commencing at the intersection of the West line of Government Lot 4, in Section 19, Township 41 South, Range 13 East, Willamette Meridian, Klamath County, Oregon, and the Northerly boundary line of Loveness Road; thence Easterly, along said Northerly boundary line, 662 feet, to the true point of beginning; thence Northerly, parallel with the Westerly boundary line of said Government Lot 4, a distance of 126 feet; thence Easterly, parallel with Loveness Road, 340 feet; thence Southerly, parallel with the Westerly boundary line of said Government Lot 4, a distance of 126 feet; thence Westerly, along the Northerly boundary line of Loveness Road, 340 feet, to the true point of beginning.

STATE OF OREGON,)
County of Klamath)
Filed for record at request of

on this 27th day of February A.D. 19 85
at 3:29 o'clock P M, and duly
recorded in Vol. M85 of Deeds
Page 2973

EVELYN BIEHN, County Clerk

By Ram Smith Deputy

Fee 21.00