

Effective as of the 19th day of June, 1992, OREGON, CALIFORNIA AND EASTERN RAILWAY COMPANY, a Nevada corporation, hereinafter designated as "O.C. & E.", hereby grants to:

SWAN LAKE MOULDING COMPANY  
P. O. Box 428  
Klamath Falls, OR 97601

hereinafter designated as the "Permittee", the non-exclusive perpetual right, license and permission to enter and be upon Oregon, California and Eastern Railway property located in Section 3, Township 39 South, Range 9 East, W.M., as shown in yellow and crosshatched on Exhibit A attached hereto and made a part hereof for the purpose of the placement and maintenance of a parking lot and use of a road crossing upon terms and conditions as follows:

1. CONSIDERATION: Two thousand dollars (\$2,000.00).

2. DATE OF EXPIRATION: Perpetual

3. OTHER PROVISIONS: Permittee shall

- a) maintain the area free of any and all litter that may accumulate from Permittee's use.
- b) in no way restrict public use of parking or events associated with the State's trail use.
- c) in no way restrict O.C. & E. salvage or rail use on the railroad.
- d) the right to continue the encroachment of the Swan Lake Shop Building as depicted on Exhibit A between station 5394+53.7 and 5400+59.2.

4. ASSUMPTION OF RISK AND LIABILITY OF PERMITTEE:

(a) O.C. & E. has made no representation as to the present or future conditions of its property or the character of the traffic on any of its roads, and Permittee assumes all risks of damage to property or injury to Permittee, in connection with the exercise of rights hereunder.

(b) Permittee shall pay for all damage to O.C. & E.'s property resulting directly or indirectly from the negligent acts or omissions of Permittee hereunder, and shall reimburse O.C. & E. for all costs reasonably incurred for fighting fire resulting directly or indirectly from the Permittee's acts or omissions hereunder whether negligent or otherwise.

(c) Permittee shall indemnify and hold harmless O.C. & E. against all claims or liabilities asserted by third persons resulting directly or indirectly from the Permittee's acts or omissions hereunder whether negligent or otherwise.

5. COMPLIANCE WITH LAWS AND REGULATIONS: Permittee shall comply with all laws and regulations, Federal, State, or local, including, but not limited to, those relating to forestry and conservation practices and the prevention, suppression and control of fire, and all valid orders of Federal, State, and local officials pertaining thereto.

6. TERMINATION AND SUSPENSION:

(a) All rights hereunder shall terminate automatically forty-five (45) days after notice of default given by either party to the other, if the default has not been remedied within such time. The termination of this permit shall not prejudice O.C. & E.'s right to collect damage accrued theretofore or thereafter accruing on account of Permittee's breach of any term hereof.

(b) Any failure to exercise a right to terminate this permit in case of default shall not constitute a waiver of the defaulting party's obligation to perform strictly in accordance with the terms of this permit. Any such right to terminate shall remain in full force and effect and may be exercised so long as such default continues.

7. NON-ASSIGNMENT: This perpetual permit is appurtenant to Permittee's adjacent property, and may be transferred therewith, but not otherwise.

8. NOTICE: Any notice to be given by either party hereto to the other under the provisions of or with respect to this permit may be served personally or by registered mail, addressed to the party to be served at the latter's post office address hereinabove set forth; and such service by registered mail shall be equivalent to personal service.

IN WITNESS WHEREOF, the parties hereto have executed this permit in duplicate and Permittee has accepted the same as of the day and year hereinabove first written.

ACCEPTED:

OREGON, CALIFORNIA & EASTERN  
RAILWAY COMPANY

SWAN LAKE MOULDING COMPANY

By: *Dorothy W. Collier*

By: *D. C. Williams*

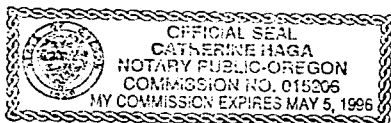
Title: President

Title: President

STATE OF OREGON     )  
                                  )     ss.  
COUNTY OF KLAMATH   )

Before me, the undersigned, a Notary Public in and for said State on this day personally appeared, D. C. Williams, President of the Oregon, California and Eastern Railway Company, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Oregon, California and Eastern Railway Company, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office, this 19th day of June, 1992.



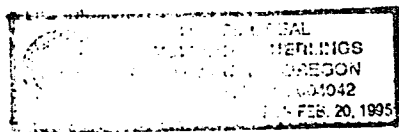
*Catherine Haga*  
Notary Public

My Commission Expires: May 5, 1996

STATE OF OREGON     )  
                                  )     ss.  
COUNTY OF KLAMATH   )

Before me, the undersigned, a Notary Public in and for said State on this day personally appeared, Dorothy W. Collier of the Swan Lake Moulding Company, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Swan Lake Moulding Company, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office, this 19th day of June, 1992.



*James R. Uerlings*  
Notary Public

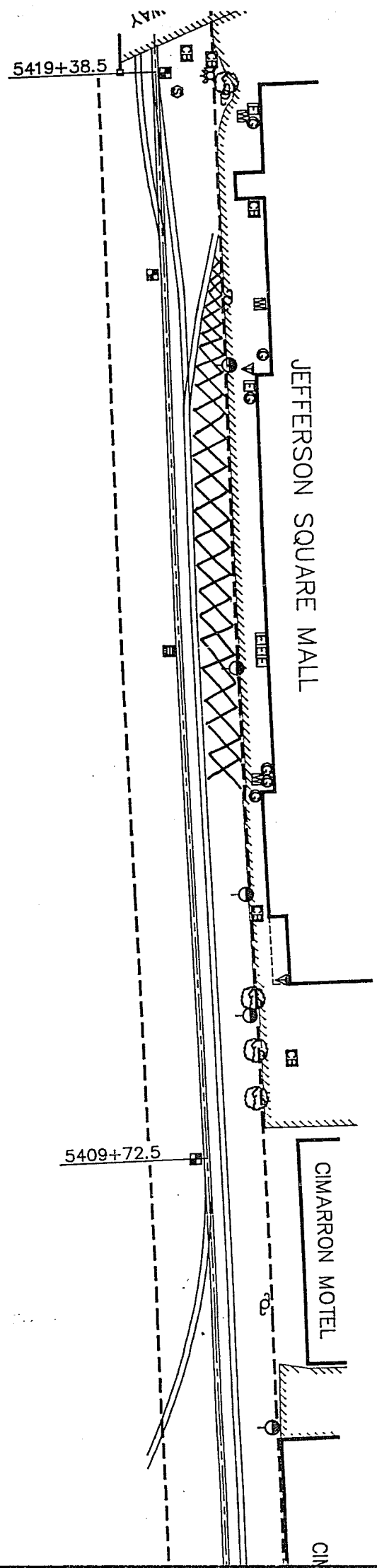
My Commission Expires: Feb. 20, 1995

AFTER RECORDING RETURN TO:  
James R. Uerlings  
110 N. 6th Street  
Klamath Falls, OR 97601

13867

# OREGON CALIFORNIA AND EASTERN

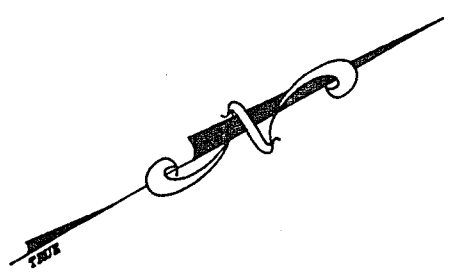
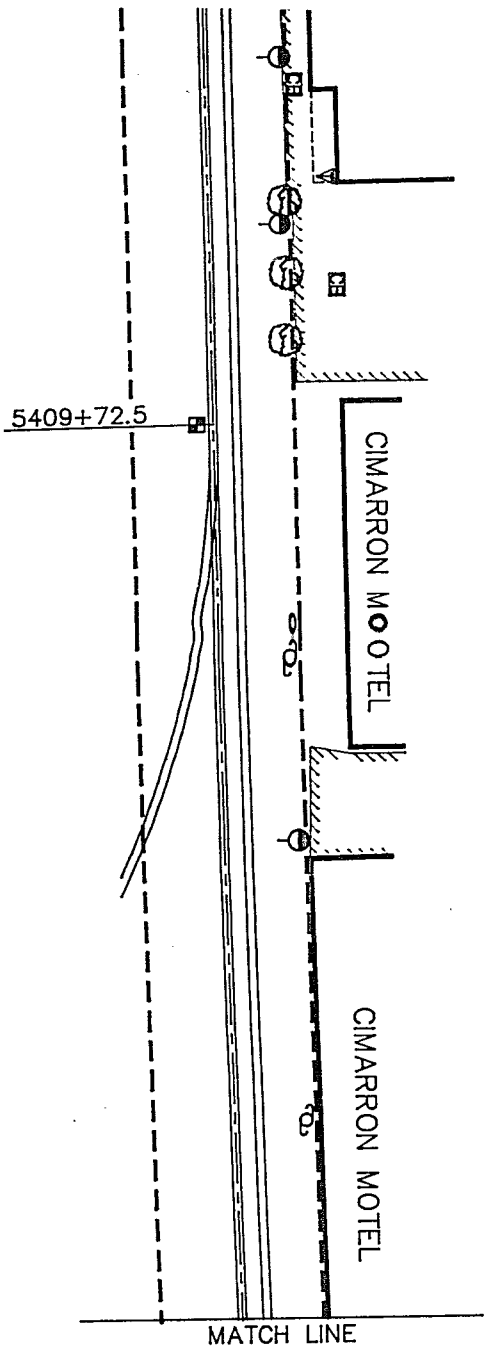
SITUATED IN SECTION 3, TOWNSHIP 39 SOUTH, RANGE 9 EAST OF  
LOCATED BETWEEN WASHBURN WAY AND ALTAMONT DRIVE, KLAMATH  
FOR: O.C. & E.



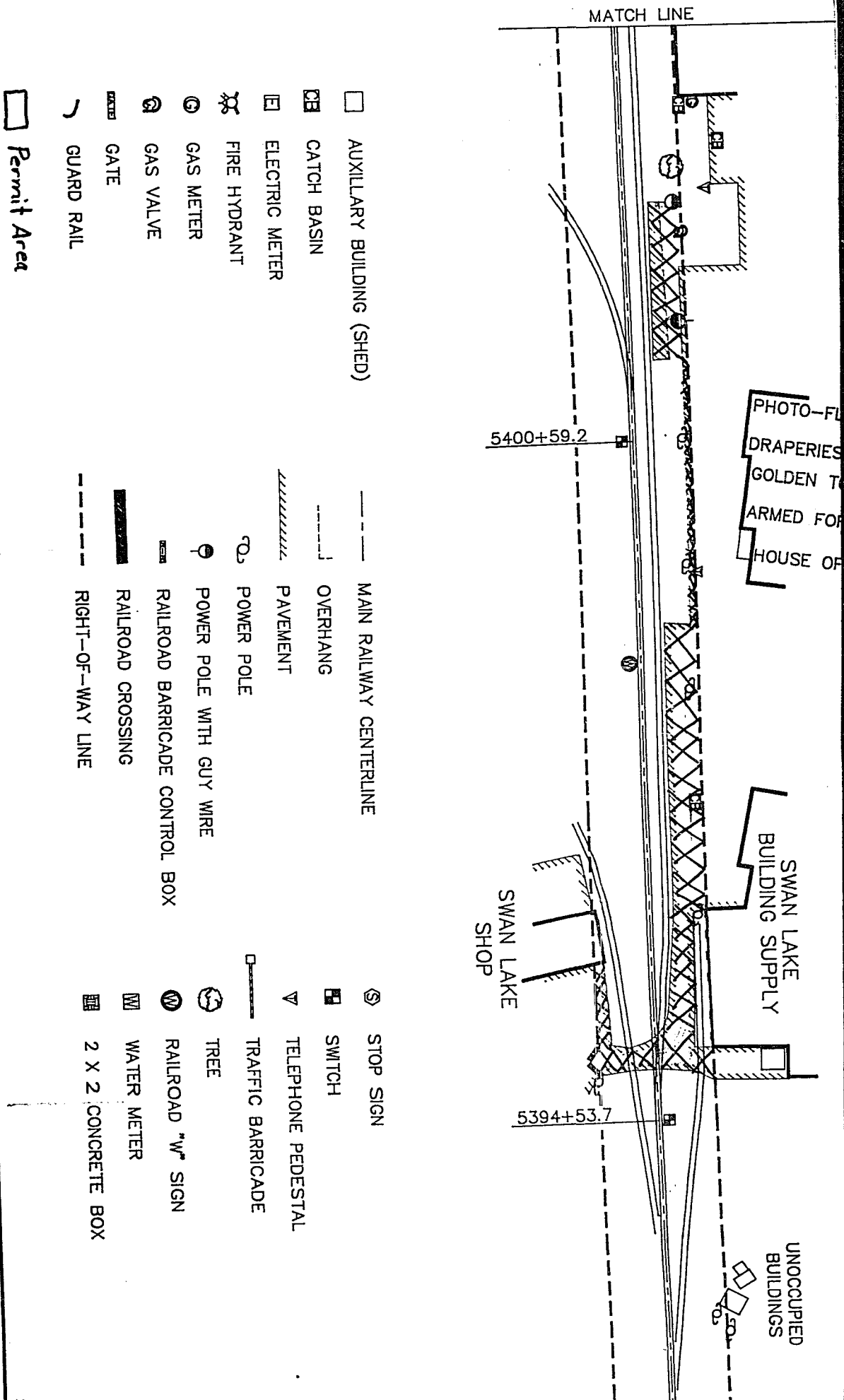
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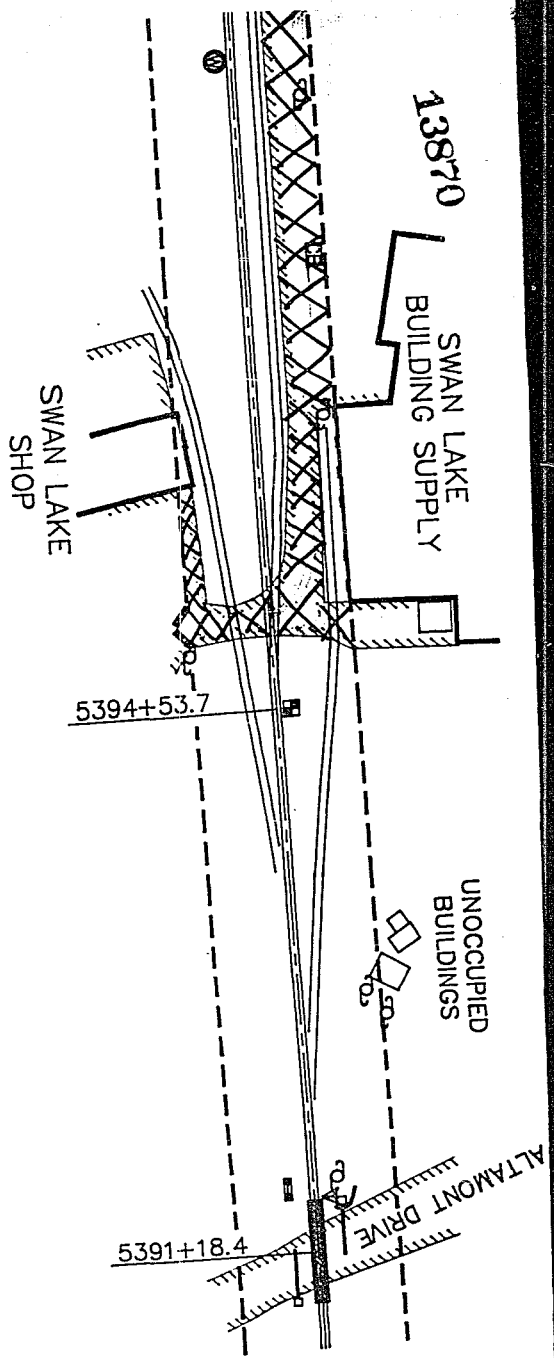
**MINIA AND EASTERN RAILWAY**  
39 SOUTH, RANGE 9 EAST OF WILLAMETTE MERIDIAN  
4Y AND ALTAMONT DRIVE, KLAMATH FALLS, OREGON

FOR: O.C. & E.



SCALE 1" = 100'  
JUNE 12, 1992



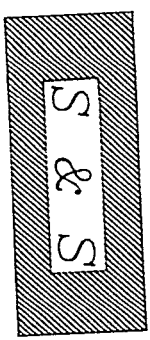


- 13870
- SWAN LAKE BUILDING SUPPLY
- SWAN LAKE SHOP
- UNOCCUPIED BUILDINGS
- ALTAMONT DRIVE
- 5394+53.7
- 5391+18.4
- STOP SIGN
- SWITCH
- TELEPHONE PEDESTAL
- TRAFFIC BARRICADE
- TREE
- RAILROAD "W" SIGN
- WATER METER
- 2 X 2 CONCRETE BOX
- RAILWAY CENTERLINE
- HANG
- MENT
- ER POLE
- ER POLE WITH GUY WIRE
- ROAD BARRICADE CONTROL BOX
- ROAD CROSSING
- IT-OF-WAY LINE

NOTE: THE MAIN RAIL LINE BEARING FROM ALTAMONT DRIVE TO WASHBURN WAY IS GENERALLY N 66°54' W.

THE RIGHT-OF-WAY LINE WAS DETERMINED BY SPLITTING THE MAIN RAIL LINE AND OFFSETTING THE CENTERLINE BY 50 FEET.

SWAN LAKE BUILDING SUPPLY ENCROACHES THE RIGHT-OF-WAY LINE WITH THEIR STORAGE BUILDING LOCATED NORTH OF THE MAIN LINE BY 0.5 FEET AND THEY ENCROACH THE RIGHT-OF-WAY WITH THEIR SHOP BUILDING LOCATED SOUTH OF THE MAIN LINE BY 9.6 FEET. THE UNOCCUPIED BUILDINGS NEAR ALTAMONT DRIVE ENCROACH THE RIGHT-OF-WAY LINE BY 6.1 FEET.



**SURVEYING INCORPORATED**  
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 2261 S. 6th Suite 4 Klamath Falls, Oregon 503-884-3042  
 DRAWN BY: OLY SWENSON

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of James R. Uerlings the 24th day  
of June A.D., 19 92 at 4:18 o'clock P M., and duly recorded in Vol. M92  
of Deeds on Page 13865.

Evelyn Biehn • County Clerk

By Pauline M. Mullenbarger

FEE \$60.00