

ADDENDUM TO LEASE - BUSINESS PROPERTY
OPTION TO PURCHASE
RIGHT OF FIRST REFUSAL

DATE:

Ant B
July
June, 27, 1995

PARTIES:

Dino Boito
604 Rinaldo St.
Santa Rosa, California 95409

("Lessor")

Cook's Glass Co.,
an Oregon corporation
4532 South Sixth Street
Klamath Falls, Oregon 97603

("Lessee")

RECITALS:

A. Lessor and Lessee entered into a Lease - Business Property, dated May 1, 1993, for the lease of the business property at 4532 South Sixth Street, Klamath Falls, Oregon, (the "Property") for a monthly rental and for a term expiring on May 1, 1998.

B. Such lease included a renewal option for an additional five year period expiring May 1, 2003.

C. Lessee intends to construct an improvement upon the property to further Lessee's business interests. Such improvement shall consist of a building approximately 40 feet by 60 feet and will cost Lessee approximately \$50,000.00. Lessee is responsible for the construction, maintenance and financing of said improvement.

D. Due to Lessee's substantial improvement of the property, Lessee wishes to receive an option to purchase the property and a right of first refusal upon the property.

E. The parties agree as follows:

OPTION AGREEMENT

Section 1. Grant of Option

Lessor grants to Lessee the sole and exclusive option to purchase the Property in the manner and for the price stated in this Agreement.

Section 2. Option Terms

2.1 Term. The term of the Option (the "Term") shall commence on the date of this agreement and shall continue for a period of

nine years.

2.2 Exercise of Option. This option shall be exercised, if at all, by written notice (the "Exercise Notice") given by Lessee to Lessor at any time during the Term, which notice shall state that Lessee has elected to exercise this option. This option may be exercised only with respect to the entirety of the Property, and nothing contained herein shall be construed as permitting Lessee to purchase less than all of the Property pursuant to this option. Upon exercise of this option, Lessee shall be obligated to purchase the Property from Lessor, and Lessor shall be obligated to sell the Property to Lessee, for the price and in the manner herein set forth.

2.3 Failure to Exercise Option. In the event of the failure to exercise the Option, Lessee shall provide Lessor with any instruments that Lessor reasonably may deem necessary for the purpose of removing from the public record any cloud on title to the Property which is attributable to the grant or existence of this Option.

Section 3. Purchase Price

3.1 Purchase Price. The purchase price for the Property (the "Purchase Price") shall be set by an MAI appraisal that is dated within six months of the Closing Date. Such appraisal shall not include any improvements upon the property which have been constructed by the Lessee during the terms of the Lease. The appraisal shall be for the entire parcel, including improvements, less the value of the improvements constructed by Lessee.

3.2 Payment of Purchase Price. The purchase price for the Property shall be payable as follows:

3.2.1 The remaining balance of the purchase price shall be financed in accordance with an agreement to be made between Lessor and Lessee at closing.

Section 4. Title

Within 15 days following the Exercise Notice, Lessor shall deliver to Lessee, at Lessor's expense, a preliminary title report (the "Title Report") covering the Property.

Section 5. Closing

5.1 Time and Place. Closing of the sale and purchase of the Property (the "Closing") shall occur on a date (the "Closing Date") selected by Lessee, but in all events the Closing shall occur within 60 days after the date that the Exercise Notice is given.

5.2 Costs. Lessee and Lessor each shall pay one-half of the

escrow fee of the Title Company with respect to the Closing. Lessor shall pay the premium for the title insurance policy that Lessor is obligated to provide to Lessee, and for all conveyance or excise taxes payable by reason of the purchase and sale of the Property. Lessee shall pay the fee (exclusive of any conveyance or excise tax) for recording the conveyance documents referred to herein.

5.3 Prorations. All items of expense incurred by Lessor with respect to the Property shall be paid by Lessor at Closing, without proration. All real property taxes and assessments payable with respect to the tax year in which Closing occurs shall be prorated between Lessor and Lessee as of the Closing Date.

Section 6. Conveyance

At the Closing, Lessor shall execute, acknowledge, and deliver to Lessee a Statutory Warranty Deed conveying the Property to Lessee.

Section 7. Time Is of the Essence

Time is of the essence of this Agreement.

RIGHT OF FIRST REFUSAL

1. Right of First Refusal. Lessor agrees not to sell, transfer, exchange, grant an option to purchase, lease, or otherwise dispose of the Property or any part of, or interest in, the Property without first offering the Property to Lessee on the terms and conditions set forth in this Agreement. As used in this Agreement, the term sell includes a ground lease of the Property with primary and renewal terms of more than 15 years in the aggregate.

1.1 When Lessor receives from a third party (the "Third-Party Offeror") a bona fide offer to purchase the property, or a part of it, or an interest in it, Lessor shall give Lessee written notice (the "Notice") of the price, terms and conditions of the offer and deliver a copy of the executed contract evidencing the offer (the "Offer") to the Lessee.

1.2 When Lessee receives the Notice and a copy of the Offer, Lessee shall have the prior and preferential right to purchase the Property (or the part of or interest in the Property covered by the Offer, as the case may be) at the same price and on the same terms and conditions as are contained in the Offer, except that if Lessee exercises the right of first refusal by electing to purchase the Property then the closing of the transaction contemplated by the Offer shall take place no earlier than 90 days after the date that Lessee elects to exercise the right of first refusal.

1.3 Lessee shall have 30 days from the date Lessee receives the Notice and a copy of the Offer to notify Lessor whether Lessee elects to purchase the Property pursuant to the terms of the Offer. If Lessee elects to exercise its right to purchase the Property, then, in addition to giving Lessor written notice of its election within the 30-day period, Lessee also shall tender an amount equal to the earnest money deposit, if any, specified in the Offer, which will be held and used in accordance with the terms of the Offer.

1.4 If Lessee fails to timely exercise its right to purchase the Property pursuant to the terms of this Agreement, then Lessor shall be entitled to sell the Property according to the terms of the Offer to the Third-Party Offeror, subject to the terms of paragraph 1.5 below.

1.5 If Lessee fails to timely exercise its right to purchase the Property pursuant to the terms of this Agreement, and for any reason Lessor shall not sell or convey the Property to the Third-Party Offeror on the terms contained in the Offer within 90 days of Lessee's election not to purchase, then Lessor must resubmit the Offer as well as any other offer to Lessee before selling the Property, and such offers shall be subject to Lessee's right of first refusal under this Agreement.

2. **Term.** The term of this Right of First Refusal commences as of the date of this Agreement and terminates on the earlier to occur of (1) the expiration of the Lease - Business Property, dated May 1, 1993, (including renewal option) or (2) the consummation of a sale of the Property to a third party within 90 days after Lessee has elected not to exercise its right of first refusal. Lessee shall cooperate in providing Lessor with any instruments that Lessor reasonably may require for the purpose of removing from the public record any cloud on title to the Property attributable in any manner to the grant or existence of this right of first refusal.

3. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the state of Oregon.

4. **Binding Effect.** This Agreement shall be binding on and inure to the benefit of the parties and their respective heirs, successors, and assigns. Lessee may freely assign its rights under this Agreement.

5. **Time Is of the Essence.** Time is of the essence regarding this Agreement.

STATUTORY DISCLAIMER

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND

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REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

OTHER TERMS AND CONDITIONS

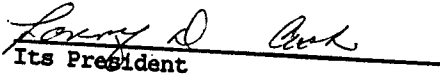
All other terms and conditions of the Lease - Business Property, dated May 1, 1993, which are not in conflict with this Addendum shall remain in full effect and be binding upon the parties.

Executed as of the day and year first above written.

LESSOR:


Dino Boito

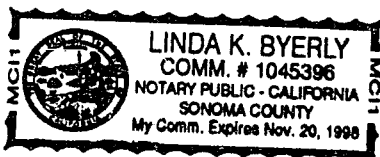
LESSEE:
Cook's Glass Co.,
an Oregon Corporation


Its President

23126E

STATE OF California)
 County of Sonoma) ss. July 27, 1995

Personally appeared Dino Boito, and acknowledged the foregoing instrument to be his voluntary act and deed. Before me:



Linda K. Byerly
 Notary Public for: _____
 My Commission expires: 11-20-98

STATE OF OREGON)
 County of Klamath) ss. July 7, 1995

Personally appeared Larry D. Cook who, being duly sworn, stated he is President of Cook's Glass Co., an Oregon corporation and that said instrument was signed on behalf of said corporation by authority of it's Board of Directors; and he acknowledged said instrument to be it's voluntary act and deed. Before me:

Alice L. Sisemore
 Notary Public for Oregon
 My Commission expires: 8/2/95



RETURN: Brandsness & Brandsness
 411 Pine St
 K Falls, Or 97601

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Brandsness & Brandsness the 28th day
 of Aug A.D., 19 95 at 10:44 o'clock A M., and duly recorded in Vol. M95
 of Deeds on Page 23126

FEE \$35.00

By Bernetha G. Leisch Bernetha G. Leisch, County Clerk