

34352

PREPARED BY
LEASE ADMINISTRATION DEPT.
NATIONAL ADVERTISING CO.
6850 S. HARLEM AVENUE
BEDFORD PARK, IL 60501

3M MEDIA LEASE AGREEMENT

Vol. 1197 Page 7523

Branch No. 130

Lease No. 261766 1001766

081766

THIS AGREEMENT, dated this 25 day of April, 1996, is by and between Natarts Bay Investments

corporation, doing business as 3M Media, whose address is 6850 S. Harlem Avenue, Bedford Park, Illinois 60501 ("3M MEDIA"), and NATIONAL ADVERTISING COMPANY, a Delaware corporation, doing business as 3M Media, whose address is 6850 S. Harlem Avenue, Bedford Park, Illinois 60501 ("LANDLORD").

1. PROPERTY. LANDLORD is the owner (or authorized lessor) of that certain real property (the "Property") located about 2.8 miles NE-SW of Klamath Falls on the NE-SW side of Hwy 97 for display(s) facing NE-SW being part of the LANDLORD's property known as Klamath Falls, Klamath, ORE

The display(s) are intended to be viewed from HWY 97 Street Address / City / County / State

SIZE: 12' x 48'

Note: Lessor to be back rented for 1993 & 1994 & 1995 the total sum of \$2,000. The next payment will then be due July 1, 1996 which month will be the anniversary date.

SKETCH THE APPROXIMATE LOCATION OF OUTDOOR ADVERTISING STRUCTURE ON PROPERTY

2. TERM. LANDLORD hereby grants and leases to 3M MEDIA and 3M MEDIA accepts the grant and leases from LANDLORD the Property to have and to hold upon the terms and conditions contained in this Lease. The Development Term, Principal Term, as extended, and Year-to-Year Term are collectively the "Term" of this Lease.

DEVELOPMENT TERM. The Development Term of this Lease begins on the date above if accepted below by 3M MEDIA (the "Commencement Date"). The Development Term expires the last day of the month during which the advertising structure is completed (including illumination, if applicable). If 3M MEDIA has not completed the advertising structure within twenty-four (24) months after the Commencement Date, 3M MEDIA shall elect to (i) terminate this Lease or (ii) begin the Principal Term.

PRINCIPAL TERM/EXTENSION. The Principal Term shall be for ten (10) years and shall commence upon the first day of the month following the completion of the advertising structure (or election of 3M MEDIA to begin the Principal Term). 3M MEDIA has the right to extend the Principal Term for an additional term of ten (10) years on the same terms and conditions beginning upon expiration of the initial Principal Term. 3M MEDIA is deemed to have exercised this right unless written notice of non-extension is given to LANDLORD at least thirty (30) days prior to expiration of the initial Principal Term.

YEAR-TO-YEAR TERM. Upon the expiration of the Principal Term, as extended, this Lease will continue on the then existing terms and conditions on a year-to-year basis. LANDLORD or 3M MEDIA may terminate this Lease effective at the end of any lease year of the Year-to-Year Term by giving at least thirty (30) days written notice prior to the end of that lease year.

3. RENT. 3M MEDIA shall pay Rent to LANDLORD annually in advance in the following amounts for each Term: DEVELOPMENT TERM \$50.00; PRINCIPAL TERM/EXTENSION and YEAR-TO-YEAR TERM \$1,000.00. Rent shall be deemed to have been received on time unless LANDLORD notifies 3M MEDIA of non-receipt of payment. 3M MEDIA shall be permitted thirty (30) days from receipt of notice of non-receipt to make such payment without being in default of this Lease.

4. LEASE PROVISIONS. This Lease contains the provisions on this page and on the reverse hereof. LANDLORD has read and understands all such terms and provisions.

Executed under the hand and seal of the parties on the (date) provided below.

Offer Date: 4-25-96

LANDLORD Signature: [Signature] (SEAL)

Print Name/Title if Corporation or Partnership: PRESIDENT

Witness (if applicable):

Witness (if applicable):

LANDLORD Name: Natarts Bay Investments

Address: P.O. Box 413

Tillamook, Oregon 97141

Phone: (503) 842-5189

Tax Identification No. 931109930

LANDLORD Signature: [Signature] (SEAL)

Print Name/Title if Corporation or Partnership: 3M Media STOCKTON

Witness (if applicable):

Witness (if applicable):

Witness (if applicable):

Witness (if applicable):

Witness (if applicable):

Acceptance Date: 7/926

CUSTOMER SERVICE 1-800-571-8080

20

6. LEASED PROPERTY. 3M MEDIA shall be furnished with the Property to erect, maintain, service, remove and reposition (if subsequently necessary) an outdoor advertising structure (including necessary structures, footings, devices, power poles and connections) on the Property for such use as permitted by law. The leased portion of the Property includes all necessary areas over, across and under the Property to provide for the construction, maintenance, service of advertising copy, repositioning and removal of the advertising structure and to provide for the installation of electrical and telephone service to the advertising structure, if necessary.

6. LANDLORD'S COVENANTS. (a) AUTHORITY OF LANDLORD. LANDLORD covenants and warrants that LANDLORD is either the owner, agent of the owner, or an authorized leasee of the Property and that LANDLORD has full power and authority to enter into and perform under the covenants of this Lease, including, without limitation, leasing the Property and authorizing the construction of the advertising structure at the location provided. LANDLORD agrees to provide 3M MEDIA with written proof of such authorization. LANDLORD grants to 3M MEDIA quiet enjoyment of the Property and warrants and agrees to defend 3M MEDIA in the quiet enjoyment of the Property during the Term of this Lease. LANDLORD and 3M MEDIA agree that this Lease may be recorded at the appropriate county office.

(b) ACCESS/NO OBSTRUCTIONS. LANDLORD covenants and warrants that 3M MEDIA shall have a reasonable means of access over, across and under the Property, and any adjoining or appurtenant property owned or controlled by LANDLORD, to erect, illuminate, maintain, service, remove and reposition its outdoor advertising structure. LANDLORD covenants and warrants not to erect, place, construct or maintain any improvement, structure, advertising display, vegetation (including any trees, shrubs, or other vegetation), or any other object on the Property, or on any adjoining or appurtenant property owned or controlled by LANDLORD, which would in any manner, partially or completely, obscure or obstruct the normal highway view(s) of 3M MEDIA's advertising structure on the Property, or permit any third party to do so. 3M MEDIA has the right (i) to remove the obscuring or obstructing improvement, structure, advertising display or other object at LANDLORD'S expense; and (ii) to cut and/or remove any obscuring or obstructing vegetation at 3M MEDIA'S expense.

7. INDEMNITY AND INSURANCE. Each party agrees to indemnify and hold harmless the other from any and all claims or demands on account of bodily injury or physical property damage caused by or resulting from any negligent or willful acts or omissions of the indemnifying party or its agents, employees or contractors. 3M MEDIA agrees to carry, at its own cost and expense, general liability insurance in the amount of One Million Dollars (\$1,000,000) covering any such contingency during the Term of this Lease.

8. 3M MEDIA'S TERMINATION RIGHT. If at any time (i) the normal highway view of 3M MEDIA'S advertising structure is obscured or obstructed; (ii) the use or installation of such advertising structure is prevented or restricted by law or by 3M MEDIA'S inability to secure and maintain any necessary permits or licenses; or (iii) 3M MEDIA is unable, for any period of ninety (90) consecutive days or more, to secure and maintain a suitable advertising contract for the advertising structure, 3M MEDIA may, at its option, terminate this Lease by giving LANDLORD fifteen (15) days written notice. If in the reasonable opinion of 3M MEDIA, any of the above conditions shall only temporarily exist, then 3M MEDIA may, at its option, instead of terminating this Lease, be entitled to pay reduced Rent equal to \$109.00 per year during the period such conditions or any of them exist. Upon early termination of this Lease or reduction in Rent for any reason, LANDLORD agrees to refund to 3M MEDIA any prepaid or overpaid Rent. If 3M MEDIA'S advertising structure is a double-faced advertising structure and any of the conditions described in this paragraph affect only one face of the advertising structure, 3M MEDIA has the right to reduce the Rent (including any paid in advance) to 50% of the Rent rather than terminating the entire Lease.

9. CONVEYANCE. Any conveyance of the Property to a third party is subject to this Lease. In the event of a change of ownership of the Property, LANDLORD agrees to promptly notify 3M MEDIA and provide the new landlord with a copy of this Lease.

10. CONDEMNATION. In the event that all or any part of the Property is acquired or sought to be acquired by any entity having or delegated the power of eminent domain, 3M MEDIA shall, at its election and in its sole discretion, be entitled to: (i) contest the acquisition or defend against the taking of 3M MEDIA'S interest in the Property; (ii) relocate the outdoor advertising structure and appurtenances onto any portion of the Property not acquired or to be acquired; and/or, (iii) be compensated from any award or consideration payable by the acquiring entity for all costs, damages and value loss incurred by 3M MEDIA relating to its leasehold, as improved with the outdoor advertising structure. LANDLORD may not terminate this Lease under any right or circumstance if the Property has been taken or is threatened to be taken by eminent domain, or if the Property is conveyed to any entity or its agent with eminent domain authority. No contemporary or subsequent modification of this Lease or the foregoing sentence shall be effective unless it specifically references this paragraph and the foregoing sentence.

11. 3M MEDIA'S IMPROVEMENTS. All the outdoor advertising structures, power poles, materials and equipment on the Property are and shall remain the property of 3M MEDIA and may be removed by 3M MEDIA at any time prior to or within ninety (90) days after the termination of this Lease or any extended term of this Lease. 3M MEDIA agrees to remove the advertising structure, (exclusive of footings which shall only be removed to grade level) and restore the surface to its natural condition.

12. ENTIRE AGREEMENT. This Lease contains the entire agreement between the parties and may not be changed except by written agreement signed by the parties. Oral representations or agreements shall have no effect. If the proper legal description of the Property is not attached, either party may attach or provide it at a later time.

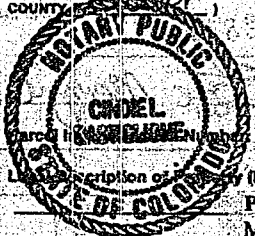
13. NOTICE. All notices are effective upon dispatch and must be in writing and delivered by mail, personal delivery or commercial courier to LANDLORD and 3M MEDIA at the respective addresses set forth above.

STATE OF Oregon On this 24th day of June, 1996, before me Dawn M Curl
COUNTY OF Clatsop the undersigned officer, personally appeared Don B Averil
(Print Name of Person)



(Print LANDLORD'S Name) Dawn M Curl
Whose name(s) is subscribed to the above instrument, and being informed of the contents of said instrument, acknowledged voluntary execution of same for the uses and purposes herein contained, given under my hand and official seal.
My Commission Expires: 10-3-98

STATE OF Colorado On this 22nd day of July, 1996, before me Cindie Castiglione
COUNTY OF Denver the undersigned officer, personally appeared Julie Spick
(Print Name of Person)
known to me (or satisfactorily proven) to be the person(s) whose name(s) is subscribed to the above instrument, and being informed of the contents of said instrument, acknowledged voluntary execution of same for the uses and purposes herein contained, given under my hand and official seal.



My Commission Expires: 11/4/97

PLEASE RETURN TO:
Mortgage Management Services, Inc.
Attn: Connie Sams Job No. 300-9501
1990 Post Oak Blvd. Suite 1080
Houston, Texas 77056
My Comm. Expires: 11/4/97
After recording return to: 1990 Post Oak Blvd. Suite 1080 Houston, Texas 77056

- - Display Property Record - -

Property ID : R429049 R-3809-007B0-00500-000 (Real Estate)
 Legal Description: TWP 36 R429049 BLOCK SEC 7 TRACT FOR SW4NW4 ACRES
 17.40

Owner ID : 153705
 NETARTS BAY INVESTMENTS INC
 4 ELM AVE
 TILLAMOOK, OR 97141

Prop Class : 201B
 Neighborhood: 1821
 Year Built :
 Living Area : 1200: 340
 Sale Date : 07/14/93
 Sale Price : 8.000
 Deed Type : 04
 Inst Number : M93-17145

Situs :

Code Area : 190

Exemptions :

Mort Lender: -

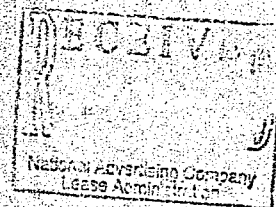
1994 Property Values

1994 Tax Status
 Current Levied Taxes : 1,269.91
 Special Assessments : 5.00
 *** No Taxes Due ***

Improvements	\$	14,470 (+)
Land	\$	79,810 (+)
Total Assessed	\$	94,280 (=)
Exemptions	\$	0 (-)
Taxable	\$	94,280 (=)

Depress the RETURN key :

Alt-Z FOR HELP 3 WYSE 50 3 FDX 3 2400 N81 3 LOG CLOSED 3 PRINT OFF 3 ON-LINE



STATE OF OREGON : COUNTY OF KLAMATH: ss.

Filed for record at request of National Advertising Co. the 14th day
 of March A.D. 19 97 at 10:14 o'clock A. M., and duly recorded in Vol. M97
 of Deeds on Page 7523

FEE \$20.00

Bernetha G. Letsch, County Clerk
 by Kathleen R. Row