

EASEMENT

Vol. MM Page

The parties hereto are: C. C. GREWELL and BURNICE M. GREWELL, hereinafter referred to as Grewell, and ED SHUEY, JR. and CHRISTINE ANN SHUEY, husband and wife, hereinafter referred to as Shuey;

Grewell owns real property described as Lot 2, and Shuey shall own property set forth in Exhibit "A" described herein, all in Chemult, Klamath County, Oregon, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

In consideration of Ten Dollars and other valuable consideration by a mutual exchange herein the parties hereby grant and convey and create an easement 30 feet in width, 15 feet on either side of the border common to Lot 2 and Lot 1, in Block 7, Chemult, Klamath County, Oregon.

This easement hereby created is for the sole purpose of ingress and egress to the real property owned by the parties; shall run with the land and shall be for the benefit and use of the parties as owners of the lands as above described, their heirs, executors, administrators and assigns.

The parties agree further to share equally in the maintenance and operation of the right of way herein granted.

IN WITNESS WHEREOF, the parties have executed this instrument on this 22 day of May, 1984.

GREWELL:

C. C. GrewellBurnice M. Grewell

SHUEY

Ed Shuey, Jr.Christine Ann Shuey

STATE OF OREGON

County of Klamath

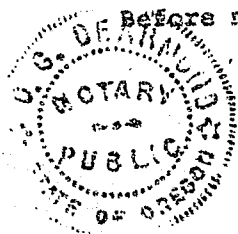
ss.

May 22nd

1984

Personally appeared before me the above named C. C. GREWELL and ~~ED SHUEY, JR.~~ and ED SHUEY, JR. and CHRISTINE ANN SHUEY, husband and wife, and acknowledged the foregoing instrument to be their voluntary act and deed.

Before me:

G. O. DeArnaud

Notary Public for Oregon

My Comm. expires: 7-26-87

Return: Send Title

P.O. Box 752

Bend, OR 97708

PROCTOR, PUCKETT & FAIRCLO
ATTORNEYS AT LAW
200 MAIN STREET
KLAMATH FALLS, OREGON 97601

EXHIBIT "D"

DESCRIPTION

36982
9737

PARCEL 1:

Lot 1, Block 7, CHEMULT, Klamath County, Oregon, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, and also beginning at the Southeast corner of Lot 1, Block 7, CHEMULT; thence South 70° 41' West 150 feet; thence North 19° 20' West 52.6 feet more or less to the Southwest corner of said Lot 1; thence East along the Southerly line of said Lot 1, 159 feet to the point of beginning, being a portion of the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 21, Township 27 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 2:

Beginning at an iron axle on the Westerly right of way line of the Dalles-California Highway which marks the Southeast corner of Lot 1, Block 7, of Chemult, Oregon, and running thence South 19° 14' East along the Westerly right of way line of the Dalles-California Highway a distance of 50 feet to an iron pin; thence South 70° 36' West a distance of 150 feet to a point; thence North 19° 24' West a distance of 50 feet to an iron pin; thence North 70° 36' East a distance of 150 feet, more or less, to the point of beginning, in the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 21, Township 27 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

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

on this 11 day of June A.D. 19 84
at 10:44 o'clock A M. and duly
recorded in Vol. MB4 of Deeds
Page 9735

EVELYN BIEHN, County Clerk
By [Signature] Deputy
12.00



Exhibit "A"

The Van Donks will assume the McNerneys lease, a copy of which is attached and made a part of by reference and will be responsible for the sum of \$2,144.13 per month lease payment plus \$50.00 per month for water effective May 1st 1998. These payments are payable to Edward and Christine Shuey on the first of each month. The lease expires Dec. 1st 1998 at which time the Van Donks can acquire the leased property for the sum of \$10,000.00 in accordance with the terms of said lease.


The Van Donks will pay the McNerneys the sum of \$6,000.00 on May 1st 1998 in payment for their assumption of the McNerneys position in connection with said lease. The Van Donks will be responsible for the balance due Traugber Oil Company. The McNerneys will pay all other accounts concerning Jerry's BP and Midstate Recovery incurred prior to the May 1st transfer. The Van Donks will be responsible for all accounts payable incurred subsequent to May 1st 1998.

All accounts receivable due on or before May 1st shall remain the property of the McNerneys and shall be paid over to them upon receipt thereof.

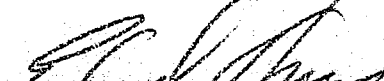

Richard Van Donk



Karen Van Donk


Jerry McNerney


Leanne McNerney

And the forgoing assignment is accepted and agreed to.


Edward Shuey


Christine Shuey

LEASE WITH OPTION TO PURCHASE

THIS LEASE made and entered into effective on the 1st day of December, 1994 by and between Ed Shuey, Jr. and Christine Ann Shuey, husband and wife (hereinafter called "Landlord") and Jerry McNerney, and Leanne McNerney, husband and wife (hereinafter called "Tenant");

W I T N E S S E T H

LANDLORD AND TENANT hereby agree as follows:

Landlord for and in consideration of the covenants and agreements hereinafter set forth to be kept and performed by both parties, does hereby demise and lease to Tenant (for the term hereinafter stipulated) the premises (hereinafter called the "Demised Premises") being that property known generally as

Ed's BP (name), Hwy 97 South (street address)

including the inventory, tools and equipment located at such business as identified on Exhibit "A", attached.

ARTICLE 1

DEMISED PREMISES, TERM AND USE

A. DEMISED PREMISES/PARKING.

Landlord hereby leases the Demised Premises to Tenant, and hereby grants to Tenant all easements, rights and privileges appurtenant thereto including the right to use adjoining parking areas, roads, alleys and means of ingress and egress.

B. TERM. The term shall begin on December 1, 1994 and shall end two (2) years from such date.

C. COMMENCEMENT OF RENT. Rent shall commence on December 1, 1994.

D. USE. The Demised Premises shall be used and occupied only for the purpose of an automobile repair facility and gas station; provided however, that Tenant shall also be permitted to stock and sell novelty non-food items, including but not limited to items normally sold in christian book stores and gift shops, automotive accessories, maps, map books and the like.

E. FUEL TANKS/INVENTORY. Tenant is being permitted to sell fuel and inventory belonging to Landlord under the terms of this agreement. Tenant agrees to maintain the existing inventory and fuel supplies at the level which exists on December 1, 1994.

MODIFICATION TO LEASE AGREEMENT

JERRY McNERNEY AND LEANNE McNERNEY, husband and wife, referred to as TENANT, and ED SHUEY, JR. AND CHRISTINE ANN SHUEY, husband and wife, referred to as LANDLORD, agree:

The parties have entered into a lease dated April 19, 1995, wherein LANDLORD, has let to the TENANT, the following described premises

JERRY'S BP STATION (FORMERLY KNOWN AS ED'S BP)
HIGHWAY 97 SOUTH
CHEMULT, OR 97731

For a good and sufficient consideration, the receipt of which is hereby acknowledged, the parties reaffirm the original lease, subject to the following modifications effective December 1, 1996.

The present term of the lease expires on December 1, 1996. The lease shall now expire on December 1, 1998.

Other than those terms specifically changed herein, all other terms of the original lease shall remain in full force and effect.

Dated: 4 11, 1997.

LANDLORD

ED SHUEY, JR.

CHRISTINE ANN SHUEY

TENANT

JERRY McNERNEY

LEANNE McNERNEY

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Karen Van Donk the 7th day
of October A.D., 1998 at 2:15 o'clock P. M., and duly recorded in Vol. M98
of Miscellaneous on Page 36979

FEE \$35.00

Return: Karen VanDonk

P.O. Box 191
Chemult, Or. 97731

By Bernetha G. Letsch, County Clerk