

M05-71913

Klamath County, Oregon

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Recording Requested By and *
When Recorded, Return to: *

Rick L. Schwartz, Esq. *
25422 Colette Way *
Calabasas, CA 91302-3148 *

(Space above this line for
recorder's use)

MEMORANDUM OF LEASE

This Memorandum of Lease ("Memorandum" herein) is dated and deemed effective as of this 28th day of November, 2005, by and between SWAN LAKE MOULDING COMPANY, an Oregon Corporation (referred to as "Lessor" herein) and CHARLES TERRANOVA, JR. AND MARY LOU TERRANOVA, TRUSTEES, TERRANOVA FAMILY 2005 TRUST U/T/A 11/12/2005 (referred to as "Lessee" herein).

1. Premises. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor that certain ground lease situated in the City of Klamath Falls, County of Klamath Falls, State of Oregon, more particularly described in Exhibit "A" ("Premises" herein), which is attached hereto and incorporated by this reference herein, subject to all of the covenants, conditions and provisions set forth in that certain unrecorded Lease of even date herewith between the parties hereto ("Lease" herein) which Lease is incorporated by this reference herein with the same force and effect as though set forth in length.

2. Term. The Lease was for an initial term of five (5) years commencing on April 5, 2000 and ending on April 4, 2005. In the Lease, Lessee has an option to extend the term of the Lease for seven additional periods of five years each. The term of the Lease is subject to earlier commencement and termination as provided therein.

3. Assignment of Lease. On November 28, 2005, CHARLES TERRANOVA AND MARY LOU TERRANOVA, the original lessee under the Lease assigned their lessee's interest pursuant to Section 8.1 of the Lease to Lessee. On November 28, 2005, the Lessee executed an Acceptance of Assignment of Ground Lease. The Lessor subsequently then executed an Approval of Assignment of Ground Lease.

4. Provisions Binding on Parties and Successors. The provisions of the Lease to be performed by Lessor or Lessee, whether to be performed at the Premises or elsewhere, and affirmative or negative in nature, are intended to and shall bind, and inure to the benefit of, the parties and their successors in interest and shall be binding upon each successive owner, during their ownership, of any portion of the Premises described in Exhibit "A" hereof, each of which successive owners is hereby expressed to be bound hereby for the benefit of the Premises. Such provisions shall be covenants running with the land in accordance with Oregon Civil Code sections and under any other applicable law.

5. Conflict of Provisions. In the event there is language in this Memorandum that conflicts with language in the Lease with reference to the subject matter herein, the provisions of the Lease shall control.

IN WITNESS WHEREOF, the undersigned have hereunto set their signatures as of the date first above written.

Swan Lake Moulding Company,
An Oregon Corporation

By: *Dorothy J. Collier*
Dorothy J. Collier
President

"Lessor"

TERRANOVA FAMILY 2005 TRUST
U/T/A November 12, 2005

By: Charles Terranova Jr.
Charles Terranova, Jr.
Trustee

By: Mary Lou Terranova
Mary Lou Terranova
Trustee

"Lessee"

EXHIBIT "A"

PARCEL 1:

Beginning at the Northwest corner of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, in Klamath County, Oregon, and running thence $S00^{\circ}00'30''E$ along the westerly boundary of Section 3, 977.8 feet, more or less, to its intersection with a line parallel with and fifty feet distant at right angles southwesterly from the center line of the South Sixth Street, as the same is now located and constructed; thence $S55^{\circ}52'30''E$ along said parallel line 1326.5 feet; thence at right angles to South Sixth Street $S34^{\circ}07'30''W$ 70 feet; thence $S86^{\circ}41'59''W$ 3.00 feet to Point "A" which is the True Point of Beginning for this property description; thence $S55^{\circ}52'30''E$ 72.46 feet; thence $S34^{\circ}07'30''W$ 122.23 feet; thence $N55^{\circ}52'30''W$ 72.46 feet; thence $N34^{\circ}07'30''E$ 122.23 feet to the True Point of Beginning.

The commercial building located at the following described premises under that certain ground lease, otherwise known as the leasehold improvements and more commonly known as:

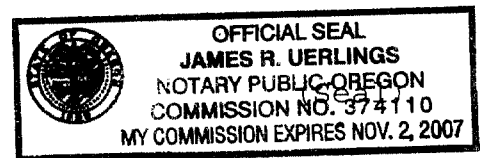
2972 South Sixth Street
Klamath Falls, Oregon 97603

MAP NO: R-3909-003BC-01000-0A1

State of Oregon)
County of Klamath Falls)

On December 15, 2005 before me, James Uerlings, personally appeared DOROTHY V. COLLIER, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Signature

James R. Uerlings
Notary Public

CAPACITY CLAIMED BY SIGNER

() Individual

(X) Corporate Officer(s): President
Title(s)

() Partners

() Attorney-In-Fact

() Trustee

() Subscribing Witness

() Guardian/Conservator

SIGNER IS REPRESENTING

Name of Person or Entity(ies)

SWAN LAKE MOULDING COMPANY, an Oregon Corporation

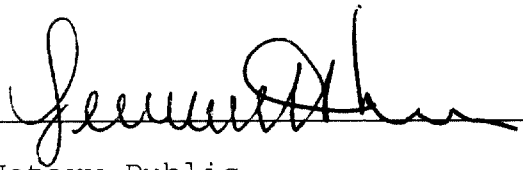
THIS CERTIFICATE MUST BE
ATTACHED TO THE DOCUMENT
DESCRIBED AT RIGHT

Title or Type of Document:
Memorandum of Lease
Number of Pages: 6

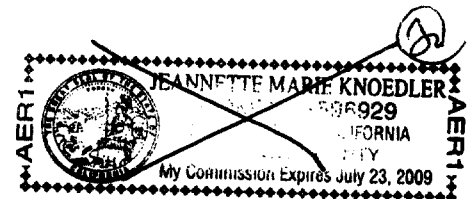
State of California)
County of Orange)

On November 29th, 2005 before me, Jeannette Marie Knoedler, personally appeared CHARLES TERRANOVA, JR. AND MARY LOU TERRANOVA, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature 
Notary Public

(Seal)



CAPACITY CLAIMED BY SIGNER

- () Individual
- () Corporate Officer(s) _____
Title(s)
- () Partners
- () Attorney-In-Fact (X) Trustee
- () Subscribing Witness () Guardian/Conservator



SIGNER IS REPRESENTING
Name of Person or Entity(ies)

CHARLES TERRANOVA, JR. AND MARY LOU TERRANOVA, TRUSTEES,
TERRANOVA FAMILY 2005 TRUST U/T/A NOVEMBER 12, 2005

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