

2006-019209

Klamath County, Oregon



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09/25/2006 01:45:52 PM

Fee: \$96.00

**ORIGINAL**

SITE NAME: KLF MIDLAND

**LAND LEASE AGREEMENT**

This Agreement, made this 31<sup>st</sup> day of Oct, 2005, between Henzel Properties LTD, an Oregon Limited Partnership, with its mailing address located at 20201 Highway 97 South, Klamath Falls, Oregon 97603, Tax ID #93-0673182, hereinafter designated LESSOR and Verizon Wireless (VAW) LLC d/b/a Verizon Wireless, with its principal office located at 180 Washington Valley Road, Bedminster, New Jersey 07921, hereinafter designated LESSEE. LESSOR and LESSEE are at times collectively referred to hereinafter as the "Parties" or individually as the "Party".

1. **PREMISES.** LESSOR hereby leases to LESSEE a portion of that certain parcel of property (the entirety of LESSOR's property is referred to hereinafter as the Property), located in Klamath, Oregon, and being described as a 40' by 60' parcel containing 2,400 square feet, as shown on Exhibit "A" attached hereto and made a part hereof, together with the non-exclusive right for ingress and egress, seven (7) days a week twenty-four (24) hours a day, on foot or motor vehicle, including trucks, and for the installation and maintenance of utility wires, poles, cables, conduits, and pipes over, under, or along a twelve foot (12') wide right-of-way extending from the nearest public right-of-way, South Klamath Lake Road, to the demised premises, said demised premises and right-of-way (hereinafter collectively referred to as the "Premises") for access being substantially as described herein in Exhibit "A" attached hereto and made a part hereof.

In the event any public utility is unable to use the aforementioned right-of-way, LESSOR hereby agrees to grant an additional right-of-way either to LESSEE or to the public utility at no cost to LESSEE.

2. **SURVEY.** LESSOR also hereby grants to LESSEE the right to survey the Property and the Premises, and said survey shall then become Exhibit "B" which shall be attached hereto and made a part hereof, and shall control in the event of boundary and access discrepancies between it and Exhibit "A." Cost for such work shall be borne by LESSEE.

3. **TERM; ELECTRICAL.** This Agreement shall be effective as of the date of execution by both parties, provided, however, the initial term shall be for five (5) years and shall commence on the Commencement Date (as hereinafter defined) at which time rental payments will be due at an annual rental of Ten Thousand Eight Hundred and No/100 Dollars (\$10,800.00) to be paid in equal monthly installments on the first day of the month, in advance, to LESSOR or to such other person, firm or place as LESSOR may, from time to time, designate in writing at least thirty (30) days in advance of any rental payment date. The Commencement Date is defined as the first (1st) day of the month following the date this Agreement is executed by the parties or the first (1st) day of the month following the date LESSEE is granted a building permit by the governmental agency charged with issuing such permits, whichever event occurs last.

If permitted by the local utility company servicing the Property, LESSEE will install a separate meter for the measurement of its electric power and will pay for its own utilities used.

Rt olc Sam Henzel

If installation of a separate meter is not permitted by the utility, LESSEE shall furnish and install an electrical submeter at the Premises for the measurement of electrical power used by LESSEE's installation. LESSEE shall pay for its own power consumption used thirty (30) days after receipt of an invoice from LESSOR indicating the usage amount. LESSEE shall be permitted to install, maintain and/or provide access to and use of, as necessary (during any power interruption at the Premises), a temporary power source.

4. EXTENSIONS. This Agreement shall automatically be extended for four (4) additional five (5) year terms unless LESSEE terminates it at the end of the then current term by giving LESSOR written notice of the intent to terminate at least six (6) months prior to the end of the then current term.

5. EXTENSION RENTALS. The annual rental for the first (1st) five (5) year extension term shall be increased to Twelve Thousand Four Hundred Twenty and No/100 Dollars (\$12,420.00); the annual rental for the second (2nd) five (5) year extension term shall be increased to Fourteen Thousand Two Hundred Eight Three and No/100 Dollars (\$14,283.00); the annual rental for the third (3rd) five (5) year extension term shall be increased to Sixteen Thousand Four Hundred Twenty-Five and 45/100 Dollars (\$16,425.45); and the annual rental for the fourth (4<sup>th</sup>) five (5) year extension term shall be increased to Eighteen Thousand Eight Hundred Eighty-Nine and 27/100 Dollars (\$18,889.27).

6. ADDITIONAL EXTENSIONS. If at the end of the fourth (4th) five (5) year extension term this Agreement has not been terminated by either Party by giving to the other written notice of an intention to terminate it at least six (6) months prior to the end of such term, this Agreement shall continue in force upon the same covenants, terms and conditions for a further term of five (5) years and for five (5) year terms thereafter until terminated by either Party by giving to the other written notice of its intention to so terminate at least six (6) months prior to the end of such term. Annual rental for each such additional five (5) year term shall be equal to 115% of the annual rental payable with respect to the immediately preceding five (5) year term.

7. USE; GOVERNMENTAL APPROVALS. LESSEE shall use the Premises for the purpose of constructing, maintaining and operating a communications facilities and uses incidental and all necessary appurtenances. A security fence consisting of chain link construction or similar but comparable construction may be placed around the perimeter of the Premises at the discretion of LESSEE (not including the access easement). All improvements shall be at LESSEE's expense and the installation of all improvements shall be at the discretion and option of LESSEE. LESSEE shall have the right to replace, repair, add or otherwise modify its equipment or any portion thereof, whether the equipment is specified or not on any exhibit attached hereto, during the term of this Agreement. LESSEE will maintain the Premises in a good condition reasonable wear and tear excepted. LESSOR will maintain the Property, excluding the Premises, in good condition, reasonable wear and tear excepted. It is understood and agreed that LESSEE's ability to use the Premises is contingent upon its obtaining after the execution date of this Agreement all of the certificates, permits and other approvals (collectively the "Governmental Approvals") that may be required by any Federal, State or Local authorities as well as satisfactory soil boring tests which will permit LESSEE use of the Premises as set forth above. LESSOR shall cooperate with

LESSEE in its effort to obtain such approvals and shall take no action which would adversely affect the status of the Property with respect to the proposed use by LESSEE. In the event that any of such applications for such Governmental Approvals should be finally rejected or any Governmental Approval issued to LESSEE is canceled, expires, lapses, or is otherwise withdrawn or terminated by governmental authority or soil boring tests are found to be unsatisfactory so that LESSEE in its sole discretion will be unable to use the Premises for its intended purposes or LESSEE determines that the Premises is no longer technically compatible for its intended use, LESSEE shall have the right to terminate this Agreement. Notice of LESSEE's exercise of its right to terminate shall be given to LESSOR in writing by certified mail, return receipt requested, and shall be effective upon the mailing of such notice by LESSEE. All rentals paid to said termination date shall be retained by LESSOR. Upon such termination, this Agreement shall be of no further force or effect except to the extent of the representations, warranties and indemnities made by each party to the other hereunder. Otherwise, all the Parties shall have no further obligations including the payment of money, to each other.

8. INDEMNIFICATION. Subject to Paragraph 9 below, each Party shall indemnify and hold the other harmless against any claim of liability or loss from personal injury or property damage resulting from or arising out of the use and occupancy of the Premises or the Property by the Party, its servants or agents, excepting, however, such claims or damages as may be due to or caused by the acts or omissions of the other Party, or its servants or agents.

9. INSURANCE. The Parties hereby waive and release any and all rights of action for negligence against the other which may hereafter arise on account of damage to the premises or to property, resulting from any fire, or other casualty of the kind covered by standard fire insurance policies with extended coverage, regardless of whether or not, or in what amounts, such insurance is now or hereafter carried by the Parties, or either of them. These waivers and releases shall apply between the parties and they shall also apply to any claims under or through either party as a result of any asserted right of subrogation. LESSOR and LESSEE each agree that at its own cost and expense, each will maintain comprehensive general liability and property liability insurance with liability limits of not less than \$1,000,000 for injury to or death of one or more persons in any one occurrence and \$500,000 for damage or destruction to property in any one occurrence. LESSOR agrees that LESSEE may self-insure against any loss or damage which could be covered by a comprehensive general public liability insurance policy. All policies of insurance covering property damage obtained by either party concerning the Property shall waive the insurer's right of subrogation against the other party.

10. ANNUAL TERMINATION. Notwithstanding anything to the contrary contained herein, and provided LESSEE is not in default hereunder and shall have paid all rents and sums due and payable to LESSOR by LESSEE, LESSEE shall have the right to terminate this Agreement upon the annual anniversary of this Agreement provided that three (3) months prior notice is given LESSOR.

11. INTERFERENCE. LESSOR agrees that LESSOR and/or any other tenants of the Property who currently have or in the future take possession of the Property will be permitted to install only such radio equipment that is of the type and frequency which will not cause measurable

interference to the existing equipment of LESSEE. The Parties acknowledge that there will not be an adequate remedy at law for non-compliance with the provisions of this paragraph and therefore, LESSEE shall have the right to equitable remedies, such as, without limitation, injunctive relief and specific performance.

12. REMOVAL UPON TERMINATION. LESSEE, upon termination of the Agreement, shall, within ninety (90) days, remove its building(s), antenna structure(s) (except footings), fixtures and all personal property and otherwise restore the Premises to its original condition, reasonable wear and tear and casualty excepted. LESSOR agrees and acknowledges that all of the equipment, fixtures and personal property of LESSEE shall remain the personal property of LESSEE and LESSEE shall have the right to remove the same, whether or not said items are considered fixtures and attachments to real property under applicable law. If such time for removal causes LESSEE to remain on the Premises after termination of this Agreement, LESSEE shall pay rent at the then existing monthly rate or on the existing monthly pro-rata basis if based upon a longer payment term, until such time as the removal of the building, antenna structure, fixtures and all personal property are completed.

13. RIGHTS UPON SALE. Should LESSOR, at any time during the term of this Agreement, decide to sell all or any part of the Property to a purchaser other than LESSEE, such sale shall be under and subject to this Agreement and LESSEE's rights hereunder, and any sale by LESSOR of the portion of this Property underlying the right-of-way herein granted shall be under and subject to the right of LESSEE in and to such right-of-way.

14. QUIET ENJOYMENT. LESSOR covenants that LESSEE, on paying the rent and performing the covenants shall peaceably and quietly have, hold and enjoy the Premises.

15. TITLE. LESSOR covenants that LESSOR is seized of good and sufficient title and interest to the Property and has full authority to enter into and execute this Agreement. LESSOR further covenants that there are no other liens, judgments or impediments of title on the Property or affecting LESSOR's title to the same and that there are no covenants, easements or restrictions which prevent the use of the Premises by LESSEE as set forth above.

16. INTEGRATION. It is agreed and understood that this Agreement contains all agreements, promises and understandings between LESSOR and LESSEE and that no verbal or oral agreements, promises or understandings shall be binding upon either LESSOR or LESSEE in any dispute, controversy or proceeding at law, and any addition, variation or modification to this Agreement shall be void and ineffective unless made in writing and signed by the Parties. In the event any provision of the Agreement is found to be invalid or unenforceable, such finding shall not effect the validity and enforceability of the remaining provisions of this Agreement. The failure of either Party to insist upon strict performance of any of the terms or conditions of this Agreement or to exercise any of its rights under the Agreement shall not waive such rights and such Party shall have the right to enforce such rights at any time and take such action as may be lawful and authorized under this Agreement, either in law or in equity.

17. GOVERNING LAW. This Agreement and the performance thereof shall be governed, interpreted, construed, and regulated by the laws of the State in which the Property is located.

18. ASSIGNMENT. This Agreement may be sold, assigned or transferred by LESSEE without any approval or consent of LESSOR to LESSEE's principal, affiliates, subsidiaries of its principal; to any entity which acquires all or substantially all of LESSEE's assets in the market defined by the Federal Communications Commission in which the Property is located by reason of a merger, acquisition or other business reorganization; or to any entity which acquires or receives an interest in the majority of communication towers of LESSEE in the market defined by the Federal Communications Commission in which the Property is located. As to other parties, this Agreement may not be sold, assigned or transferred without the written consent of LESSOR, which consent will not be unreasonably withheld or delayed. LESSEE may sublet the Premises within its sole discretion, upon notice to LESSOR. Any sublease that is entered into by LESSEE shall be subject to the provisions of this Agreement and shall be binding upon the successors, assigns, heirs and legal representatives of the respective parties hereto.

19. NOTICES. All notices hereunder must be in writing and shall be deemed validly given if sent by certified mail, return receipt requested or by commercial courier, provided the courier's regular business is delivery service and provided further that it guarantees delivery to the addressee by the end of the next business day following the courier's receipt from the sender, addressed as follows (or any other address that the Party to be notified may have designated to the sender by like notice):

LESSOR: Henzel Properties LTD  
20201 Highway 97 South  
Klamath Falls, OR 97603  
Telephone: (541) 883-3466

LESSEE: Verizon Wireless (VAW) LLC  
d/b/a Verizon Wireless  
180 Washington Valley Road  
Bedminster, New Jersey 07921  
Attention: Network Real Estate

Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

20. SUCCESSORS. This Agreement shall extend to and bind the heirs, personal representatives, successors and assigns of the Parties hereto.

21. SUBORDINATION AND NON-DISTURBANCE. At LESSOR's option, this Agreement shall be subordinate to any mortgage or other security interest by LESSOR which from time to time may encumber all or part of the Property or right-of-way; provided, however, every such mortgage or other security interest shall recognize the validity of this Agreement in the event

of a foreclosure of LESSOR's interest and also LESSEE's right to remain in occupancy of and have access to the Premises as long as LESSEE is not in default of this Agreement. LESSEE shall execute whatever instruments may reasonably be required to evidence this subordination clause. In the event the Property is encumbered by a mortgage or other security interest, LESSOR immediately after this Agreement is executed, will obtain and furnish to LESSEE, a non-disturbance agreement for each such mortgage or other security interest in recordable form. In the event LESSOR defaults in the payment and/or other performance of any mortgage or other security interest encumbering the Property, LESSEE, may, at its sole option and without obligation, cure or correct LESSOR's default and upon doing so, LESSEE shall be subrogated to any and all rights, titles, liens and equities of the holders of such mortgage or security interest and LESSEE shall be entitled to deduct and setoff against all rents that may otherwise become due under this Agreement the sums paid by LESSEE to cure or correct such defaults.

22. RECORDING. LESSOR agrees to execute a Memorandum of this Lease Agreement which LESSEE may record with the appropriate Recording Officer. The date set forth in the Memorandum of Lease is for recording purposes only and bears no reference to commencement of either term or rent payments.

23. DEFAULT. In the event there is a default by LESSEE with respect to any of the provisions of this Agreement or its obligations under it, including the payment of rent, LESSOR shall give LESSEE written notice of such default. After receipt of such written notice, LESSEE shall have fifteen (15) days in which to cure any monetary default and thirty (30) days in which to cure any non-monetary default, provided LESSEE shall have such extended period as may be required beyond the thirty (30) days if the nature of the cure is such that it reasonably requires more than thirty (30) days and LESSEE commences the cure within the thirty (30) day period and thereafter continuously and diligently pursues the cure to completion. The LESSOR may not maintain any action or effect any remedies for default against LESSEE unless and until LESSEE has failed to cure the same within the time periods provided in this Paragraph.

24. ENVIRONMENTAL.

a. LESSOR will be responsible for all obligations of compliance with any and all environmental and industrial hygiene laws, including any regulations, guidelines, standards, or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene conditions or concerns as may now or at any time hereafter be in effect, that are or were in any way related to activity now conducted in, on, or in any way related to the Property, unless such conditions or concerns are caused by the activities of LESSEE.

b. LESSOR shall hold LESSEE harmless and indemnify LESSEE from and assume all duties, responsibility and liability at LESSOR's sole cost and expense, for all duties, responsibilities, and liability (for payment of penalties, sanctions, forfeitures, losses, costs, or damages) and for responding to any action, notice, claim, order, summons, citation, directive, litigation, investigation or proceeding which is in any way related to: a) failure to comply with any environmental or industrial hygiene law, including without limitation any regulations,

guidelines, standards, or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene concerns or conditions as may now or at any time hereafter be in effect, unless such compliance results from conditions caused by LESSEE; and b) any environmental or industrial hygiene conditions arising out of or in any way related to the condition of the Property or activities conducted thereon, unless such environmental conditions are caused by LESSEE.

25. CASUALTY. In the event of damage by fire or other casualty to the Premises that cannot reasonably be expected to be repaired within forty-five (45) days following same or, if the Property is damaged by fire or other casualty so that such damage may reasonably be expected to disrupt LESSEE's operations at the Premises for more than forty-five (45) days, then LESSEE may at any time following such fire or other casualty, provided LESSOR has not completed the restoration required to permit LESSEE to resume its operation at the Premises, terminate this Agreement upon fifteen (15) days written notice to LESSOR. Any such notice of termination shall cause this Agreement to expire with the same force and effect as though the date set forth in such notice were the date originally set as the expiration date of this Agreement and the Parties shall make an appropriate adjustment, as of such termination date, with respect to payments due to the other under this Agreement. Notwithstanding the foregoing, all rental shall abate during the period of repair following such fire or other casualty.

26. CONDEMNATION. In the event of any condemnation of the Property, LESSEE may terminate this Agreement upon fifteen (15) days written notice to LESSOR if such condemnation may reasonably be expected to disrupt LESSEE's operations at the Premises for more than forty-five (45) days. LESSEE may on its own behalf make a claim in any condemnation proceeding involving the Premises for losses related to the antennas, equipment, its relocation costs and its damages and losses (but not for the loss of its leasehold interest). Any such notice of termination shall cause this Agreement to expire with the same force and effect as though the date set forth in such notice were the date originally set as the expiration date of this Agreement and the Parties shall make an appropriate adjustment as of such termination date with respect to payments due to the other under this Agreement.

27. SUBMISSION OF LEASE. The submission of this Agreement for examination does not constitute an offer to lease the Premises and this Agreement becomes effective only upon the full execution of this Agreement by the Parties. If any provision herein is invalid, it shall be considered deleted from this Agreement and shall not invalidate the remaining provisions of this Agreement. Each of the Parties hereto warrants to the other that the person or persons executing this Agreement on behalf of such Party has the full right, power and authority to enter into and execute this Agreement on such Party's behalf and that no consent from any other person or entity is necessary as a condition precedent to the legal effect of this Agreement.

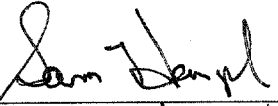
28. APPLICABLE LAWS. LESSEE shall use the Premises as may be required or as permitted by applicable laws, rules and regulations. LESSOR agrees to keep the Property in conformance with all applicable, laws, rules and regulations and agrees to reasonably cooperate with LESSEE regarding any compliance required by LESSEE in respect to its use of the Premises.

29. SURVIVAL. The provisions of the Agreement relating to indemnification from one Party to the other Party shall survive any termination or expiration of this Agreement. Additionally, any provisions of this Agreement which require performance subsequent to the termination or expiration of this Agreement shall also survive such termination or expiration.

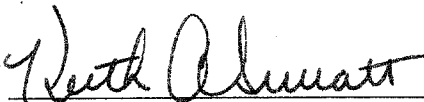
30. CAPTIONS. The captions contained in this Agreement are inserted for convenience only and are not intended to be part of the Agreement. They shall not affect or be utilized in the construction or interpretation of the Agreement.

IN WITNESS WHEREOF, the Parties hereto have set their hands and affixed their respective seals the day and year first above written.

LESSOR: Henzel Properties LTD, an Oregon Limited Partnership

By:   
Name: Sam Henzel  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

LESSEE: Verizon Wireless (VAW) LLC d/b/a Verizon Wireless

By:   
Keith A. Surratt  
West Area Vice President – Network  
Date: 10/31/05

EXHIBITS: Exhibit "A" - Legal Description/Description of Premises

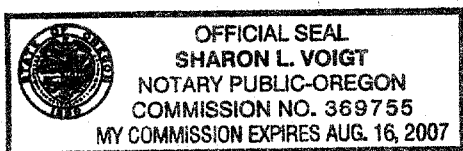


LESSOR ACKNOWLEDGEMENT

STATE OF OR )  
COUNTY OF Klamath ) ss.

On this 15 day of August, 2005, before me, a Notary Public in and for the State of OR, personally appeared Sam Henzel, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument, on oath stated that He/She was authorized to execute the instrument, and acknowledged it as the General Partner of Henzel Properties, LTD, an Oregon Limited Partnership, to be the free and voluntary act and deed of said party for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.



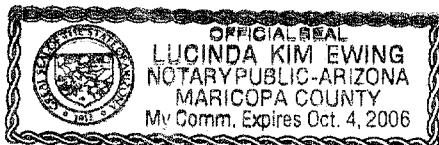
Sharon L Voigt  
NOTARY PUBLIC in and for the State of OR.  
residing at Klamath Falls OR  
My appointment expires 8-16-07  
Print Name Sharon L Voigt ✓

**CORPORATE ACKNOWLEDGMENT**

STATE OF ARIZONA       )  
                                      ) SS.  
COUNTY OF MARICOPA   )

On this 31 day of OCTOBER, 2005, before me, the undersigned, a Notary Public in and for the State of Arizona, duly commissioned and sworn, personally appeared Keith A. Surratt to me known to be an authorized representative of Verizon Wireless (VAW) LLC d/b/a Verizon Wireless, the limited liability company that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of Verizon Wireless (VAW) LLC d/b/a Verizon Wireless, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute the said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



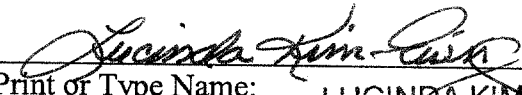
  
Print or Type Name: LUCINDA KIM EWING  
Notary Public in and for the State of AZ, residing at  
MARICOPA COUNTY  
My appointment expires: OCT. 4, 2006

Exhibit "A"  
1 of 2  
LEGAL DESCRIPTION  
*See Attached*

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

The following described property in Section 1, Township 40 South, Range 8 East, of the Willamette Meridian, Klamath County, Oregon:

Government Lots 5 and 8, EXCEPTING THEREFROM Lower Klamath Lake Highway 423.

The S 1/2 SE 1/4 NE 1/4; ALSO Beginning at the Northwestern corner of the S 1/2 SE 1/4 NE 1/4 of said Section 1, Township 40 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, and running thence North 89°49' West 704.4 feet more or less, to a point in the line marking the Northeasterly boundary of the right of way of the Midland-Mack Store Road, which is a line parallel with and 30.0 feet distant at right angles Northeasterly from the center line of the said Midland-Mack Store Road, as the same is now located and constructed; thence South 38°25 1/2' East, along said Northeasterly right of way boundary 1134.2 feet, more or less, to its intersection with the line marking the Easterly boundary of Lot 2, of Section 1, Township 40 South, Range 8 East of the Willamette Meridian; thence North 0°02' West, along said line marking the Easterly boundary of the said Lot 2 of Section 1, Township 40 South, Range 8 East of the Willamette Meridian, 886.3 feet, more or less, to the said point of beginning.

EXCEPTING THEREFROM that portion thereof lying Northwesternly of the following described line:

Beginning at the Northwestern corner of the S 1/2 SE 1/4 NE 1/4 of said Section 1, Township 40 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, and running thence North 89°49' West 704.4 feet more or less, to a point in the line marking the Northeasterly boundary of the right of way of the Midland-Mack Store Road, which is a line parallel with and 30.0 feet distant at right angles Northeasterly from the center line of the said Midland-Mack Store Road, as the same is now located and constructed; thence Southeasterly along the Northeasterly boundary of the said road 193.39 feet to a point, which is the point of the beginning of the line being described; thence Northeasterly 242.28 feet to a point on the North line of the S 1/2 SW 1/4 NE 1/4 of said Section 1 marked by a 5/8" iron pin with Tru-Line Surveying plastic cap and the end of the line being described.

Tax Account No: 4008-001A0-00700-000  
Tax Account No: 4008-001A0-00700-000

Key No: 585343  
Key No: 621465

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**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

Government Lots 3, 4 and 9 of Section 1, Township 40 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon. SAVING AND EXCEPTING that portion of the A.H. Patterson, Sr. property described in deed recorded in Book 199, page 113, which lies Northerly and Easterly of the Northeast boundary of the New North Canal of the Klamath Drainage District and SAVING AND EXCEPTING THEREFROM that portion conveyed to State of Oregon by deed dated May 23, 1947, recorded June 3, 1947 in Deed Book 207, page 156, Deed Records of Klamath County, Oregon.

All that portion of Government Lot 6, Section 1, Township 40 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, lying Easterly of the Central Pacific Railway Company right-of-way, SAVING AND EXCEPTING that portion thereof lying Northerly of the Midland-Mack Store Highway and having been conveyed to Arthur Neil Phipps, et al, by deed dated March 14, 1950, recorded March 17, 1950, in Book 237, page 387, Deed Records of Klamath County, Oregon, and ALSO SAVING AND EXCEPTING that portion thereof conveyed to Klamath County by deed dated April 21, 1934, recorded September 19, 1934, in Deed Book 103, page 506, Deed Records of Klamath County, Oregon, and ALSO SAVING AND EXCEPTING THEREFROM that portion conveyed to the State of Oregon by deed dated May 31, 1947, recorded June 25, 1947 in Book 208, page 87, Deed Records of Klamath County, Oregon.

Those portions of Government Lot 7, the NE1/4 SW1/4 and the SW1/4 SW1/4 of Section 1, Township 40 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, lying Easterly of the Central Pacific Railway Company right-of-way, SAVING AND EXCEPTING from said Lot 7 that portion conveyed to the State of Oregon by deed dated May 31, 1947, recorded June 25, 1947 in Book 208, page 87, Deed Records of Klamath County, Oregon of Klamath County, Oregon.

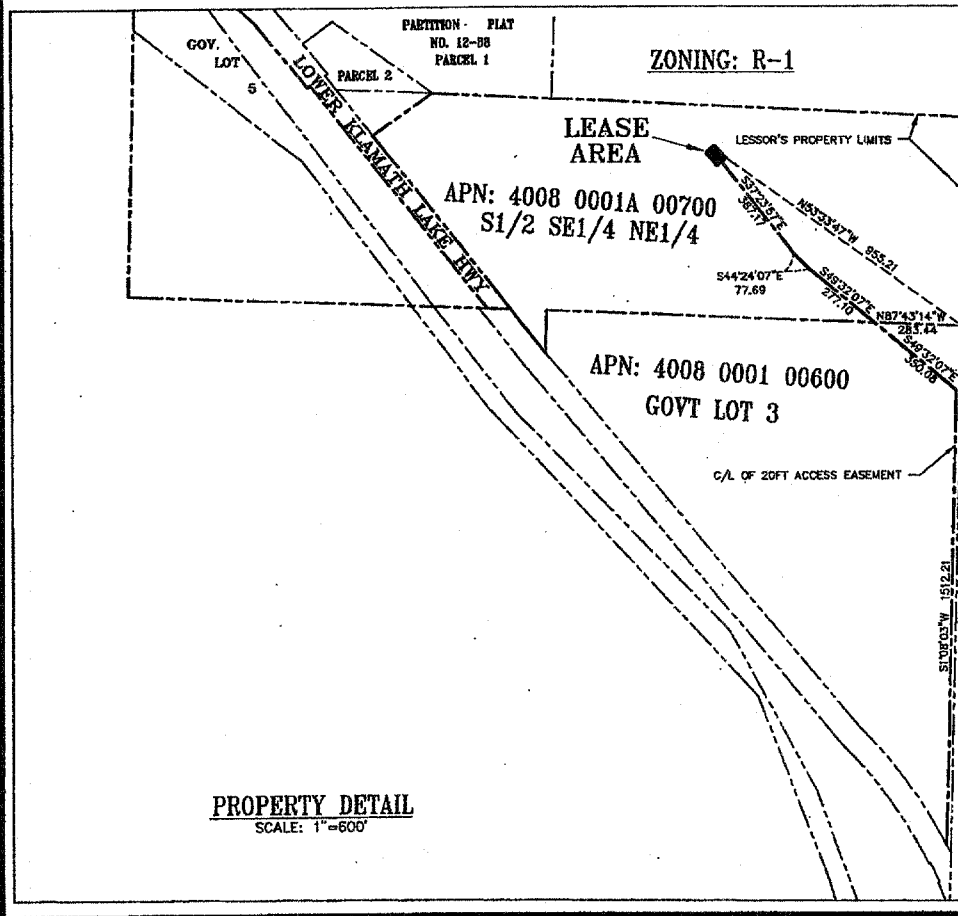
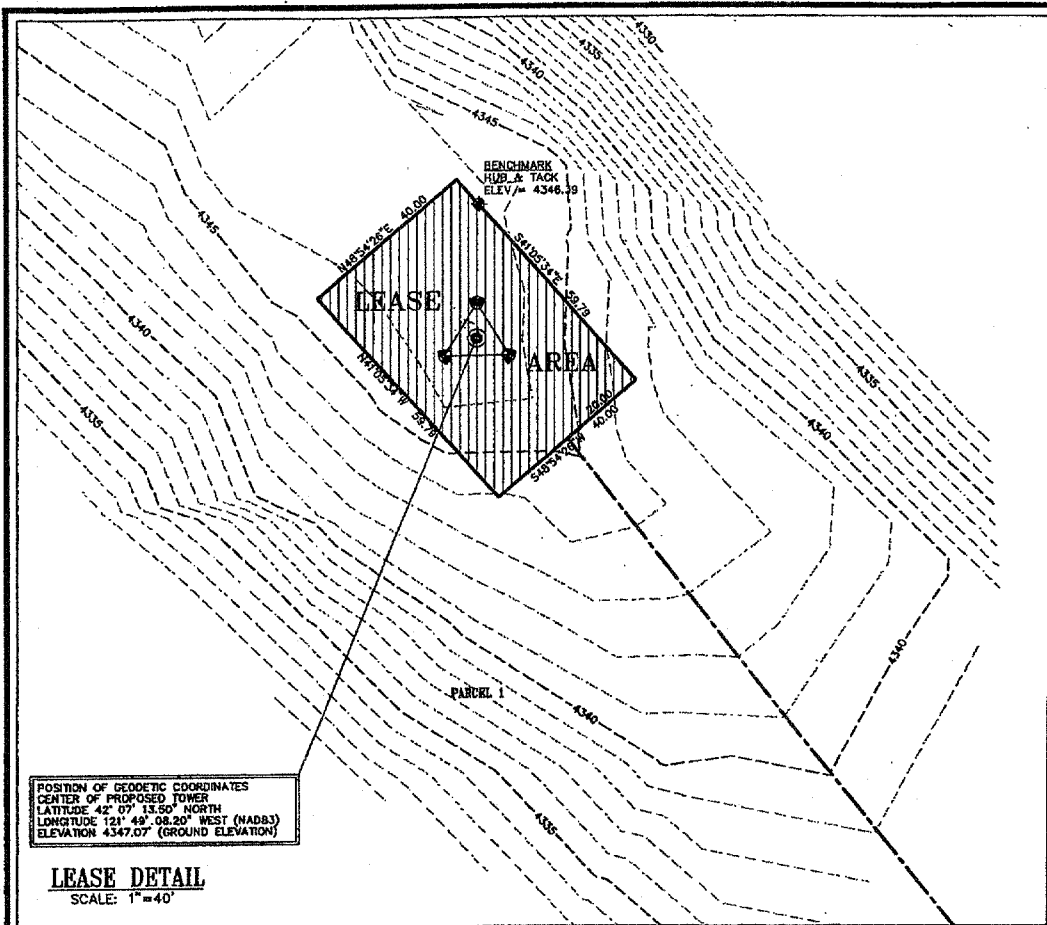
All of Government Lots 5 and 8, and the SW1/4 SE1/4 and SE1/4 SW1/4 of Section 1, Township 40 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

Tax Account No: 4008-00100-00600-000  
Tax Account No: 4008-00100-00600-000

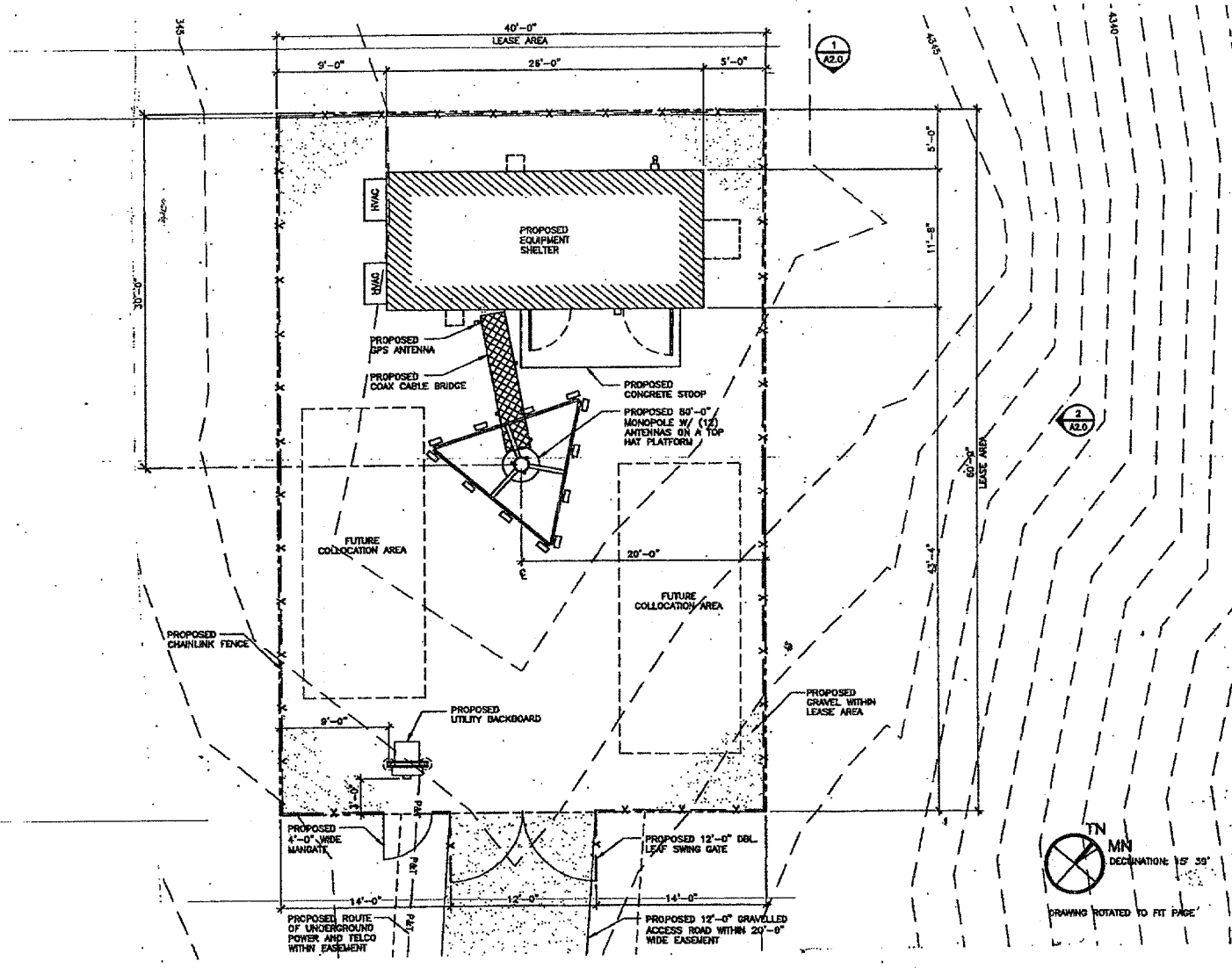
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Key No: 620563

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Exhibit "A"  
2 of 2  
DESCRIPTION OF PREMISES  
*See Attached*



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