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

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recorder's use)

**MEMORANDUM OF LEASE**

This Memorandum of Lease ("Memorandum" herein) is dated and deemed effective as of this 11th day of November, 2006, by and between SWAN LAKE MOULDING COMPANY, an Oregon Corporation (referred to as "Lessor" herein) and CARLO G. TERRANOVA, an unmarried man (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. Initial 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 Charles Terranova, Jr. and Mary Lou Terranova, Trustees, TERRANOVA FAMILY 2005 TRUST

46

U/T/A November 12, 2005, the Successor Lessee ("Successor Lessee"). On November 28, 2005, the Successor Lessee executed an Acceptance of Assignment of Ground Lease. The Lessor subsequently then executed an Approval of Assignment of Ground Lease. Charles Terranova, Jr. died on December 2, 2005 resulting in Mary Lou Terranova being the sole Trustee of the Successor Lessee.

4. Current Assignment of Lease. On November 11, 2006, the Successor Lessee assigned its lessee's interest pursuant to Section 8.1 of the Lease to Lessee. On November 11, 2006, the Lessee executed an Acceptance of Assignment of Ground Lease. The Lessor subsequently then executed an Approval of Assignment of Ground Lease.

5. 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.

6. 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 W. Collier  
Dorothy W. Collier  
President

"Lessor"  
Carlo G. Terranova  
CARLO G. TERRANOVA

"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 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 52'30"E along said parallel line 1326.5 feet; thence at right angles to South Sixth Street S34 07'30"West 70 feet; thence S86 41'59"W 3.00 feet to Point "A" which is the True Point of Beginning for this property description; thence S55 52'30"E 72.46 feet; thence S34 07'30"W 122.23 feet; thence N55 52'30"W 72.46 feet; thence N34 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

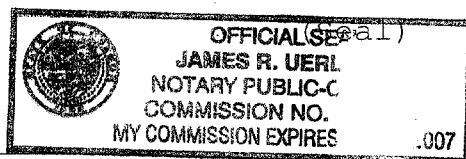
State of Oregon )  
County of Klamath Falls )

On November 29, 2006 before me, James R. Uerling 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. Uerling  
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 Los Angeles )

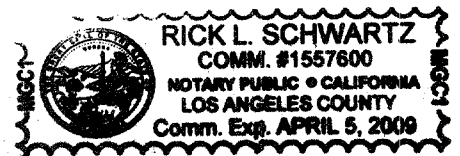
On November 11, 2006 before me, RICK L. SCHWARTZ, personally appeared CARLO G. TERRANOVA, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his 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.

(Seal)

Signature

*Rick L. Schwartz*  
RICK L. SCHWARTZ  
Notary Public



CAPACITY CLAIMED BY SIGNER

( ) Individual

( ) Corporate Officer(s)

Title(s)

( ) Partners

( ) Attorney-In-Fact

( ) Trustee

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