

Store Box 39-B-2 *Box* 32-213
COVER ONE SUBJECT ONLY IN EACH LETTER

YOUR LETTER OF SUBJECT

6/18/71

EUGENE, OREGON LEASE

DATE

August 13, 1971

TO

Mr. J. T. Rafferty

FROM

K. C. Specht

DIVISION OR BRANCH

Paint Division

We are enclosing one executed copy of the Eugene, Oregon
store lease for your file.

KC Specht

mk

Encl.

cc: Mr. E. L. Beenfeldt
Mr. L. W. Beach

RECEIVED

AUG 13 1971

J. P. M.

NL 000039484

LEASE

THIS LEASE executed in quintuplicate this 17th day of June, 1971, by and between SARAH LAND COMPANY a co-partnership consisting of Donald R. Furtick and John E. Soreng with a business address of P. O. Box 5453, Eugene, Oregon, hereinafter called "Landlord" and N.L. Industries, Inc., a New Jersey Corporation hereinafter called "Tenant".

WITNESSETH:

In consideration of the covenants and agreements of the respective parties herein contained, the parties hereto do hereby agree as follows:

I. DEMISED PREMISES:

Landlord has demised and let by these presents does hereby demise and let unto the Tenant, and Tenant leases and hires from Landlord all those certain premises, hereinafter more fully described, together with buildings and other improvements to be remodeled hereon, for the term and upon the rental and the covenants and agreements of the respective parties herein set forth. Said premises consist of a parcel of land of approximately fifty eight feet by one hundred sixty feet situated at approximately Southeast Corner of 6th Avenue and Garfield Streets, City of Eugene, State of Oregon and described as follows:

SEE ATTACHED LEGAL DESCRIPTION

II. ADDITIONAL IMPROVEMENTS:

(a) Landlord agrees to add to the above described premises and building containing approximately FOUR THOUSAND square feet of floor space with appurtenances and other improvements an area of approximately 736 square feet in accordance with plans and specifications, to be prepared by Landlord, at Landlord's expense, and approved by Tenant and identified by the signatures of the parties hereto, (such building, appurtenances and improvements being hereinafter for the sake of brevity referred to collectively as "additional improvements").

Landlord represents and warrants that the additional improvements will be erected in a good, safe, and workmanlike manner with all facilities, installations, etc., to be completed in good working order and conditions ready for legal occupancy on or before September 1, 1971, subject to delays due to strike, act of God, unavailability of materials or other causes beyond Landlord's control. The building so erected by the Landlord, which is to be in accordance with the approved plans and specifications as provided above, as well as any other building on the premises, shall in every respect comply with the laws, ordinances and regulations, municipal or otherwise, that may govern the construction of the same and Landlord shall hold Tenant harmless of and from any loss or damage caused by defective construction of said new additional improvements or of any other building on the premises or by reason of any mechanic's lien or encumbrances of any kind or nature against the property.

(b) Promptly on completion of the additional improvements in accordance with the provisions of this lease, Landlord will give written notice thereof to Tenant and within ten (10) days after receipt of such notice, Tenant

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have been completed and ready for occupancy in accordance with the provisions of this agreement, or notice of the respect in which the additional improvements have not been satisfactorily completed. If no notice that the property has not been satisfactorily completed shall be given, then it shall be conclusively presumed that the property is acceptable to Tenant, but if such notice be validly given, then the Landlord shall immediately proceed to make the necessary corrections and thereafter new notices as provided for in this article shall be given. Upon acceptance of the additional improvements by Tenant, Exhibit "A" shall be filled in and executed by the parties hereto.

For the purpose of approving the plans and specifications hereinbefore described in paragraph II (a) and for the purpose of accepting the building as described in this section Tenant hereby delegates to Francis M. Avakian, Regional Sales Manager, 1818 Gilbreth Road, Burlingame, California 94010, or to E. D. Frazier, Northern District Manager, 1128 S. W. Spokane Street, Seattle, Washington 98134, the authority to sign such papers in the name of the Tenant and the Tenant agrees to be bound by such signatures to the herein specified documents to the same degree as if said documents bore the corporate seal and were signed by its officers in New York.

III. TERM:

The term of this lease shall be for five (5) years commencing on the date the additional improvements are completed and ready for occupancy as hereinbefore provided or upon occupancy by the Tenant, whichever event shall occur first, and ending FIVE (5) years thereafter; providing further if said term shall commence on a day other than the first day of a calendar month, that rental shall be paid for the fraction of the first month in proportion to the monthly rental rate as hereinafter provided, and the term provided for in this lease shall consist of FIVE (5) years in addition to that part of the calendar month during which completion occurred.

IV. TERMS AND CONDITIONS OF THE LEASE

This lease is made on the following terms and conditions, which are expressly agreed to by Landlord and Tenant:

1. Rent: Tenant agrees to pay as rental to Landlord at its address specified in this lease or at such other place as Landlord may designate in writing, the amount of THIRTY FIVE THOUSAND ONE HUNDRED Dollars (\$35,100.00) payable in sixty (60) equal installments of FIVE HUNDRED EIGHTY FIVE Dollars (\$585.00) each month in advance without default or delays and according to the true intent and meaning of these presents.

2. Authorized Use: Tenant shall use the leased premises for the following purposes and for no other purposes whatsoever, without the written consent of Landlord first had and obtained: office, salesroom, and place for the receiving, warehousing and distribution of paint and allied products.

3. Insurance: Tenant will not keep, use or sell, or allow to be kept, used or sold in or about the leased premises, any article or material which is prohibited by law or by standard fire insurance policies of the kind customarily in force with respect to premises of the same general type as those covered by this lease.

Tenant agrees to indemnify and hold harmless Landlord of and from any and all claims of any kind or nature arising from Tenant's use of

the demised premises during the term hereof, and Tenant hereby waives all claims against Landlord for damage to goods, wares or merchandise or for injury to persons in and upon the premises from any cause whatsoever, except such as might result from the negligence of Landlord or Landlord's representatives or from failure of Landlord to perform the obligations hereunder within a reasonable time after notice in writing by Tenant requiring such performance by Landlord. Tenant shall at all times during the term hereof keep in effect in responsible companies liability insurance with limits as follows:

Bodily Injury	\$100,000.00 each person
	\$200,000.00 each accident

Property Damage	\$ 50,000.00
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Such insurance may, at Tenant's election, be carried under any general blanket coverage of Tenant. A renewal policy shall be procured not less than ten (10) days prior to the expiration of any policy. Each original policy, or a certified copy thereof, or a satisfactory certificate of the insurer evidencing insurance carried with proof of payment of the premium shall be deposited with Landlord upon Landlord's request. Tenant shall have the right to settle and adjust all liability claims and all claims against the insurance companies, but without subjecting Landlord to any liability or obligation.

Landlord shall obtain and keep in force for this lease term, and renewals, fire insurance on the demised premises in the amount of 90% of insurable value, and such insurance shall be paid for by the Landlord.

4. Condition of the premises: Subject to the foregoing (II b), Tenant accepts the leased premises in the condition they are in at the time of the commencement of the term of this lease. Tenant may, at Tenant's own expense, in conformity with the requirements of the law erect or permit signs to be erected on the building on the demised premises. Landlord agrees to lay conduit for wiring of ONE free-standing sign. Tenant may make at Tenant's own expense such alterations, additions, or improvements in or to the building on the demised premises as Tenant may deem necessary or desirable for Tenant's purposes or for the purpose of sub-tenants, without liability for salvage. Any work undertaken by Tenant shall be done in accordance with requirements of governmental authority. Such signs, improvements and alterations shall be installed in a workmanlike manner and shall not damage the leased premises. Landlord will not let, use or permit to be used the building or portion of the building under lease for the advertising of either a competitive or non-competitive business, or of any cause or crusade. Tenant will not commit waste of the demised premises, nor will it use or permit the use of the premises in violation of any present or future law of the United States or of the State of Oregon or in violation of any municipal ordinance. Tenant agrees to keep the building (other than the roof and structural parts thereof) and the improvements on the premises outside the building and the grounds in good condition and repair and to maintain said premises in a clean, attractive and sanitary condition. Tenant will keep the driveways and sidewalks reasonably free from ice and snow. Any alterations or improvements to the leased

premises shall become the property of the Landlord at the expiration or sooner termination of the lease provided, however, that all trade fixtures and store equipment located in the demised premises or on the outside thereof, and whether or not attached thereto, installed thereon by Tenant or sub-tenants, or installed by others and sold or assigned to Tenant or sub-tenants, shall belong to Tenant or such sub-tenants and may be freely removed by them at any time during the term or at the expiration of this lease or any renewal thereof. Tenant agrees that such removal will be conducted in a workmanlike manner without damage to the premises. Tenant agrees to surrender the leased premises at the expiration, or sooner termination of this lease, or any extension thereof, in the same condition, or as altered, pursuant to the provisions of this lease, ordinary wear and tear, or damage by the elements excepted.

5. Repairs, Damage or Destruction: Landlord agrees to maintain and keep the roof in repair and further agrees for the term of this lease to repair any latent defects in the exterior walls, floor joists, and foundations and to repair latent defects in the plumbing or electrical systems for one year after completion of construction as well as any damage that might result from acts of Landlord or Landlord's representatives. Landlord shall promptly and without expense to Tenant make any repairs, changes or improvements to the roof, foundation and exterior walls which may be required by any governmental authority (except Tenant will make any non-structural changes or improvements which may be required by any governmental authority if same shall be caused by Tenant's business on the demised premises, but Tenant shall not be required to install fire escapes, sprinklers, or other fire preventive devices.) Any repairs made by Landlord shall be made at such reasonable times as shall not interfere with the conduct of the business in the demised premises, and Landlord will give Tenant reasonable notice of the time when such repairs are to be made; in carrying out the intent of this provision it is agreed that repairs will be made at such hours and time so that overtime or other premium wage rates will not be necessary. In the making of such repairs none of the space demised shall be taken or diminished; and in case it becomes necessary by reason of any order of any governmental authority for Landlord to run pipes or wires or any other unsightly material through the demised premises, the same shall be placed in a concealed position so far as practicable.

If the demised premises or any part thereof shall be damaged or destroyed by fire or the elements, war activity, or other casualty, Landlord will promptly repair all such damage and restore the demised premises without expense to Tenant, subject only to delays due to adjustment of insurance claims, strikes, and other causes beyond Landlord's control. If such damage shall render the premises untenable in whole or in part, the rent shall be abated wholly or proportionally as the case may be until the damage shall be repaired and the premises restored including such reasonable time as is necessary for Tenant to repair and restore its fixtures and equipment, restock its merchandise and resume business in the whole of the premises, or

the part rendered untenable, as the case may be. If the damage or destruction shall be so extensive as to require substantial rebuilding (i.e., expenditure of fifty per cent (50%) or more of replacement cost) of the buildings on the demised premises, Landlord may elect to terminate this lease by written notice to Tenant given within thirty (30) days after the occurrence of such damage or destruction. It is further agreed that if such substantial damage or destruction (as aforesaid) shall occur during the last two (2) years of the term of this lease or of any renewal or extension thereof, Tenant shall have the right to cancel or terminate this lease without further liability therefor by written notice to Landlord given within thirty (30) days after the occurrence of such damage or destruction.

6. Third Party Interests: This lease shall be subject and subordinate only to mortgages of record at the date hereof affecting the demised premises, and mortgages made by Landlord to carry out the provisions of paragraph II (a) of this lease. In the event that the principal or interest upon any mortgage or mortgages upon the demised premises or any other payments required by such mortgage or mortgages to be made by Landlord shall remain overdue and unpaid for a period of twenty five (25) days after the same shall have become due and payable thereunder, notice of such default shall promptly be given by Landlord to Tenant, and Tenant shall have the right, at its option, to pay such principal and interest to the mortgage holder, and to make all such other payments so in default together with the interest or penalty, if any, by reason of such default; and in any such case Tenant will be subrogated to and be entitled to enforce all rights of the mortgagee against Landlord and mortgagor, and additionally will be entitled to deduct the amount of any and all such payments from the rental due or which may become due under this lease until the full amount of any and all such payments and interest shall have been deducted and repaid to Tenant. If any garnishment, lien, writ of execution, third party order, attachment or any other similar process be issued against or levied or served upon Tenant in any action wherein Landlord is a party, Tenant may deduct from any installment or installments of rental due or becoming due thereafter all expenses and payments, including reasonable counsel fees, incurred by Tenant in filing and answering, closure, affidavit, answer, certificate, or plea, or in any other way answering or defending such garnishment, lien, writ of execution, third party order, attachment or other similar process. Except as designated in this section Tenant will pay all rentals to Landlord without deduction.

7. Concessions: Landlord will not consent to the granting of any newspaper, taxicab, or other licenses or concessions on the sidewalks or streets adjacent to the demised premises without obtaining written consent of Tenant; and Landlord further agrees that it will not erect or permit to be erected by any other tenant of the building in which the demised premises are located, or adjacent thereto, if owned or managed by Landlord, a marquee over any of the sidewalks contiguous to such building. The Landlord or Landlord's successors in interest will not during the term hereof let, use or permit to be used any other portion of the building or buildings of which the demised premises form a part, or adjoining building owned or controlled by the Landlord or Landlord's successors in interest, for the sale, display or

advertising of paints, paint ingredients, paint equipment, wallpaper, etc. - or for the advertising of any business or department of a business in competition with that of the Tenant.

8. Utilities: Tenant shall pay all charges for water, gas, heat, electricity and other public utilities used on the leased premises.

9. Assignment: Tenant may assign this lease or sublet all or any part of the demised premises upon written consent of Landlord, which consent shall not be unreasonably withheld. In the event of any assignment or subletting, Tenant shall remain liable to pay the rent, and for its obligations hereunder as herein provided.

10. Default by Tenant: If Tenant shall default in the performance of any covenant herein other than the payment of rent, Landlord shall be required to give Tenant notice in writing, and if thirty (30) days shall elapse thereafter without the Tenant undertaking to remedy such default, and provided the delay is not caused by strikes, act of God, unavailability of materials or other causes beyond Tenant's control, Landlord shall have the right to one of the following remedies, but not both, at its option:

a. Remedy the default by making performance for Tenant and for that purpose advance such amounts as may be necessary. Any amounts so advanced or any expense incurred or sum of money paid by Landlord by reason of failure of Tenant to comply with any covenant, agreement, obligation or provision of this lease or in defending any action to which Landlord may be subjected by reason of any such failure shall be deemed additional rent for the leased premises and shall be due and payable to Landlord on demand.

b. Terminate this lease by giving Tenant notice of such termination and Landlord shall have the right to re-enter the premises and take possession thereof by summary proceedings, re-entry or other lawful manner, and remove all persons and/or any property therefrom.

If Tenant shall default in the payment of rent, or any part thereof, or in making any other payment herein provided for, and any such default shall continue for a period of fifteen (15) days after written notice to Tenant, or shall Tenant abandon the premises or be adjudicated a bankrupt, or make an assignment for the benefit of creditors, or in the event a receiver in insolvency proceedings shall be appointed for any of Tenant's property, including the demised premises and such appointment not be vacated within sixty (60) days, Landlord may re-enter the premises and take possession thereof by summary proceedings, re-entry or other lawful manner, and remove all persons and/or any property therefrom. In any such lawful re-entry Landlord will not be liable to indictment, prosecution or damages therefor and at the option of Landlord it may relet the demised premises and receive the rent therefor, applying same first to the payment of Landlord's reasonable expenses in recovering possession of the demised premises and then to the payment of rent hereunder, Tenant to remain liable for any deficiency, for which suit may be brought by Landlord. Tenant will have no right to redeem the premises by any process of law after re-entry by Landlord as hereinbefore provided.

11. Possession, Inspection, Holdover, Surrender: Tenant, upon performing the covenants herein on Tenant's part to be performed shall and may peaceably and quietly have, hold and enjoy the demised premises during the term hereof; and Landlord warrants that Landlord has the full right to lease the demised premises for the term and in the manner herein provided, and agrees to indemnify Tenant for and against any and all loss and damage of whatever kind that may result to Tenant on account of any failure of or defect in Landlord's title or right to make and execute this lease, and that there are no restrictions applicable to the demised premises which affect and limit the right of Tenant to operate a paint store therein, to sell therein any articles of merchandise whatsoever or to exercise any of the rights granted to Tenant by this lease. Landlord agrees to put Tenant in possession of the demised premises at the commencement of the term of this lease. Tenant at any time during the term shall permit inspection of the demised premises during reasonable business hours by Landlord or Landlord's representatives for the purpose of ascertaining the condition of the demised premises and in order that Landlord may make repairs as may be required to be made by Landlord under the terms of this lease. Sixty (60) days prior to the expiration of this lease, unless renewed or extended as provided herein, Landlord may post suitable notice on the demised premises that the same are "To Let" and may show the premises to prospective tenants at reasonable times during business hours. Should Tenant hold over the leased premises or any part thereof after expiration of the term of this lease, unless otherwise agreed to in writing, such holding shall constitute tenancy from month to month only and Tenant shall pay as monthly rental the then-reasonable value of the use and occupancy of the leased premises. Tenant will surrender the premises under the terms and conditions agreed upon in Section IV 4 of this lease.

12. Option to Renew: Upon the timely performance of all the covenants of this lease carried out by Tenant, Tenant shall have the right, at its option, to renew this lease for a further period of FIVE (5) years at the same rental as herein provided, and all other covenants to be the same as herein provided; such option in the case of such renewal period to be exercised by serving upon Landlord in the manner herein provided for the serving of notices, not less than ninety (90) days prior to the otherwise termination date of this lease, an intent to renew.

13. Waiver of Covenants: It is agreed that the waiving of any of the covenants of this lease by either party shall be limited to the particular instance and shall not be deemed to waive any other breaches of covenant or any provision herein contained. Any failure on the part of either party to this lease to perform any obligation hereunder, and any delay in doing any act required hereby shall be excused if such failure or delay is caused by any strike, lockout, act of God, governmental restriction or any similar cause beyond the control of the party so failing to perform, to the extent and for the period that such cause continues, save and except that the provisions of this paragraph shall not excuse a non-payment of rent or other sums due hereunder on its due date.

14. Succession: All of the covenants on the part of Landlord contained in this agreement shall be binding upon Landlord and Landlord's heirs, executors, administrators, representatives, and assigns and shall be construed to be covenants running with the land, and the term Landlord shall include the

Landlord herein named and Landlord's successors in interest. All the covenants on the part of Tenant contained in this agreement shall be binding upon Tenant and its assigns and shall enure to the benefit of Landlord and Landlord's heirs, executors, administrators, representatives and assigns.

15. Time: Time is of the essence of this lease and every term, covenant and condition herein contained.

16. Liens: Tenant agrees not to permit any lien for moneys owing by Tenant to remain against the leased premises for a period of more than thirty (30) days. Should any such lien be filed and not released or discharged within that time, Landlord may at Landlord's option (but without the obligation to do so) pay or discharge such lien and may likewise pay and discharge any taxes or other charges against the leased premises which Tenant is obligated to pay hereunder and which may or might become a lien on the premises. Tenant agrees to repay any sums so paid by Landlord upon demand therefor, together with interest at the rate of ten per cent (10%) per annum from the date any such payment is made.

17. Real Property Taxes: All real property taxes levied against the demised premises, both land and improvements, shall be paid when due by Tenant during the term of this lease and any renewal thereof. Landlord shall, upon request of Tenant, permit real property tax statements issued by Lane County, Oregon, to be sent directly to Tenant.

18. Easement: Landlord shall retain an easement over the South 20 feet of ground of demised premises for purposes of access and utilities, providing, however, that such easement or use shall in no way interfere with Tenant's access or use of loading dock on rear of building.

19. Paragraph headings: The paragraph headings as to the contents of particular paragraphs herein, are inserted only for convenience and are in no way to be construed as part of such paragraph or as a limitation on the scope of the particular paragraph to which they refer.

20. Notices: All notices to Tenant shall be sent by registered mail addressed to Tenant (marked Real Estate Department) at 1818 Gilbreth Road, Burlingame, California 94010 (P. O. Box 512, San Francisco, California) until further notice is given in writing to Landlord. All notices to Landlord shall be sent by registered mail addressed to Landlord at P. O. Box 5453, Eugene, Oregon, 97405, and Landlord hereby requests that all rental becoming due hereunder shall be paid to SARAH LAND COMPANY at that address until further notice is given in writing to Tenant. All notices properly addressed shall be deemed served upon the date of their registration with the postal authorities.

21. Condemnation: If the whole or any substantial part of the demised premises shall be taken or condemned by any competent authority for any public use or purpose then, and in that event, the term of this lease shall cease and terminate at the Landlord's option from the date when possession of the part so taken shall be required for such use or purpose and the Tenant shall not be entitled to share with the Landlord any award which the Landlord

receives on account of such taking. If a minor part (such part that the taking does not substantially interfere with Tenant's business operations) is so taken, the balance of the rental due hereunder shall be apportioned according to Tenant's losses sustained as a result thereof.

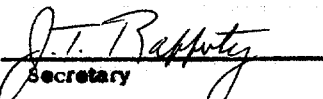
IN WITNESS WHEREOF, the parties hereto have executed this lease in quintuplicate.

SARAH LAND COMPANY, Landlord
a co-partnership

by 
Donald R. Purlick, Partner

N.L. INDUSTRIES, INC.
Tenant

by 
Vice President

by 
Asst. Secretary

by 
John E. Soreng, Partner

STATE OF OREGON)
) ss.
COUNTY OF LANE)

1. William Rounsavall
Notary Public in and for the State of Oregon, do hereby certify that
on this 15th day of July, 19 21.
personally appeared before me Donald P. Huelsbeck
Donald P. Huelsbeck
and acknowledged the foregoing instrument to be their voluntary act
and deed.

Given under my hand and official seal this 15th day of
July, 19 21.

William Rounsavall
My commission expires
October 24, 1924

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On this 18th day of June, 1971, before me, the undersigned, a Notary Public in and for the State of New York, duly commissioned and sworn, personally appeared R. C. Spricht and J. T. Rafferty, to me known to be a Vice President and an Asst. Sec., respectively, of N. L. Industries, Inc., the corporation above-named, and acknowledged to me that they were authorized to execute said instrument on behalf of said corporation, and that the same was executed as the free and voluntary act and deed of the corporation for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Notary Public in and for the
State of New York, residing at
New York, New York.

JOHN J. LAWLOR
NOTARY PUBLIC, STATE OF NEW YORK
No. 31-7448800
Qualified in New York County
Commission Expires March 30, 1972

N 26084.03

DESCRIPTION OF THE SARAH LAND COMPANY TRACT
(TO BE LEASED)

Beginning at the southwest corner of the Prior F. Blair
Donation Land Claim No. 39, Township 17 South, Range 4
West of the Willamette Meridian; thence,

S89°18'E 1861.97 feet and

N 0°13'30"E 322.12 feet to an iron pin set on the easterly margin of Garfield
Street and 150.00 feet northerly from the centerline of
7th Avenue West; thence,

N 0°15'24"E 67.82 feet along the easterly margin of Garfield Street to the
TRUE POINT OF BEGINNING; thence,

S89°50'30"E 58.00 feet to a point; thence,

N 0°15'24"E 153.09 feet to a point on the southerly margin of 6th Avenue West;
thence,

continuing along the southerly margin of 6th Avenue West
and along the arc of a curve to the right having a radius
of 2914.79 feet to an iron pin set on the easterly margin
of Garfield Street which bears

N83°03'15"W 58.40 feet from the last described point; thence,

S 0°15'24"W 160.00 feet to the true point of beginning in Eugene, Lane County,
Oregon.

N 26084.04

EXHIBIT "A"

ACCEPTANCE OF BUILDING

N L Industries, Inc., referred to in the lease between the parties hereto dated as of _____, 197 as Tenant, hereby acknowledges acceptance of the building described in said lease in accordance with the terms and conditions of said lease.

Landlord and Tenant hereby acknowledge that the term of the lease commenced on the first day of _____, 197 and shall terminate on the last day of _____, 197 .

Dated this _____ day of _____ 197 .

_____, Landlord

N L Industries, Inc., Tenant

BY: _____

N 26084.05