

LEASE

Lease made November 23, 1983, between PORT OF SKAMANIA COUNTY, a corporation organized under the laws of the State of Washington, having its principal office at Stevenson, County of Skamania, State of Washington, herein referred to as Lessor, and HORIZON FOREST PRODUCTS, INC., of Carson, County of Skamania, State of Washington, herein referred to as Lessee.

Recitals

1. Lessor is the sole owner of the premises described below, hereinafter called "the premises".

2. Lessee desires to lease the premises for the purpose of conducting a log storage and sorting yard and a sawmill business.

3. The parties desire to enter a lease agreement defining their rights, duties, and liabilities relating to the premises.

In consideration of the mutual covenants contained herein, the parties agree as follows:

SECTION ONE
Subject and Purpose

Lessor leases the premises located in the County of Skamania, State of Washington, and more particularly described as follows:

(See Exhibit "A" attached hereto and made a part hereof by reference.)

Together with the appurtenances thereon.

SECTION TWO
Term and Rent

Lessor demises the above premises for a term of 3 years commencing the 1st day of June, 1983. Lessee shall pay lessor for the use and occupancy of the demised premises \$ 715.00 per month, payable in advance without demand on the first day of each and every calendar month; ~~provided, however, that said monthly rental payments shall be reviewed by Lessee every years from the date of the first payment under this lease and every years thereafter for the duration of the lease if the average of the United States Department of Labor, Bureau of Labor Statistics Wholesale Price Index for the preceding years declines from the Base Index the monthly rental shall be subject to adjustments of \$xxxxxxx per month for each increment of 1% of such deviation; provided that no such adjustment shall reduce the xxxxxxxx monthly rental payments to less than \$xxxxxxx per month.~~

~~xxxx The term Base Index shall mean the average Wholesale Price Index for the 1979 calendar year as compiled by the United States Department of Labor, Bureau of Labor Statistics.~~

SECTION THREE
Use of Premises

Lessee shall use the premises for conducting a log storage and sorting yard and a sawmill business and shall not use them for any other purpose without the written consent of the Lessor. Lessee shall use the entire premises for the conduct of said business in a first class manner continuously during the entire term of this lease, with the exception of temporary closures for such periods as may reasonably be necessary for repairs or for reasons beyond Lessee's reasonable control.

SECTION FOUR
Repairs

Lessee shall, at all times during the lease and at its own cost and expense, repair, replace, and maintain in a good, safe, and substantial condition, the building and any improvements, additions, and alterations thereto, on the demised premises, and shall use all reasonable precaution to prevent waste, damage, or injury to the demised premises.

SECTION FIVE
Acceptance of Premises

Lessee has examined the leased premises and accepts them in their present condition.

SECTION SIX
Alterations and Improvements

Lessee shall make no alterations or improvements to or upon the premises or install any fixtures (other than trade fixtures which can be removed without injury to the premises) without first obtaining written approval from the Manager of the Port. In the event any alterations or improvements shall be made or fixtures (other than trade fixtures which can be removed without injury to the premises) installed by the Lessee, they shall at once become a part of the realty and become the property of the Lessor. Movable furniture and trade fixtures which are removable without injury to the premises shall be and remain the property of Lessee.

SECTION SEVEN
Inspection - "For Rent" Signs

The Lessor reserves the right to inspect the leased premises at any and all reasonable times throughout the term of this lease; provided, that it shall not interfere unduly with Lessee's operations. The right of inspection reserved to the Lessor hereunder shall impose no obligation on the Lessor to make inspections to ascertain the condition of the premises, and shall impose no liability upon the Lessor for failure to make such inspections. The Lessor shall have the right to place and maintain "For Rent" signs in conspicuous places on the premises for thirty (30) days prior to the expiration or sooner termination of this lease.

SECTION EIGHT
Taxes

Lessee shall pay to the proper authority on or before the last day on which payment may be made without penalty or interest, all taxes, including any leasehold tax due the State of Washington,

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assessments, or other governmental charges that shall or may during the lease term be imposed on, or arise in connection with the use of, the demised premises or any part thereof. It is the intention of the parties that the rent herein is net rental, and Lessor shall receive the same free from all taxes that are made payable by Lessee.

SECTION NINE
Utilities

All applications and connections for necessary utility services on the demised premises shall be made in the name of Lessee only, and Lessee shall be solely liable for utility charges as they become due, including those for sewer, water, gas, electricity and telephone services.

SECTION TEN
Security Deposit

Lessee shall execute and deliver to Lessor a promissory note in the amount of \$25,740.00 secured by a mortgage on real estate in form satisfactory to Lessor which shall be held by Lessor for the full term of this lease as security for the full and timely performance by Lessee of the terms and conditions herein and for the payment of any final judgment that may be rendered against Lessee for a breach of those terms and conditions. The rights of Lessor against Lessee for a breach of this lease shall in no way be limited or restricted by this security deposit, but Lessor shall have the absolute right to pursue any available remedy to protect its interest herein, as if this security deposit had not been made. The deposit shall be returned to Lessee at the expiration of this lease provided that all terms and conditions herein contained have been fully performed by Lessee. Should the demised premises be sold, Lessor may transfer or deliver this security deposit to the purchaser of the interest, and Lessor shall then be discharged from any further liability with respect to the security deposit.

SECTION ELEVEN
Insurance

1. Fire insurance. At all times during the term of this lease and for any further time that Lessee shall hold the demised premises, Lessee shall obtain and maintain at its expense fire insurance on all buildings and improvements on the demised premises, including all alterations and additions thereto in an amount equal to the current full replacement cost of the demised premises, excluding the cost of excavation and of foundations.

2. Personal injury and property damage insurance. During the term of this lease and for any further time that Lessee shall hold the demised premises, Lessee shall obtain and maintain at its expense personal injury and liability insurance in amounts and in forms of insurance policies as may from time to time be required by Lessor.

3. Other insurance. Lessee shall provide and keep in force other insurance in amounts that may from time to time be required by Lessor against other insurable hazards as are commonly insured against for the type of business activity that Lessee will conduct.

4. All insurance provided by Lessee as required by this section shall be carried in favor of Lessor and Lessee as their respective interests may appear, and in the case of insurance against damage to the demised premises by fire or other casualty, shall provide that loss, if any, shall be adjusted with and be payable to Lessor. All insurance shall be written with responsible companies that Lessor shall approve, and the policies shall be held by Lessor. All policies shall require 30 days' notice by registered mail to Lessor of any cancellation or change affecting any interest of Lessor.

SECTION TWELVE

Unlawful or Dangerous Activity

Lessee shall neither use nor occupy the demised premises or any part thereof for any unlawful, disreputable, or ultrahazardous business purpose nor operate or conduct its business in a manner constituting a nuisance of any kind. Lessee shall immediately, on discovery of any unlawful, disreputable, or ultrahazardous use, take action to halt such activity.

SECTION THIRTEEN

Indemnity

Lessee shall indemnify Lessor against all expenses, liabilities, and claims of every kind, including reasonable counsel fees, by or on behalf of any person or entity arising out of either (1) a failure by Lessee to perform any of the terms or conditions of this lease, (2) any injury or damage happening on or about the demised premises, (3) failure to comply with any law of any governmental authority, or (4) any mechanic's lien or security interest filed against the demised premises or equipment, materials, or alterations of buildings or improvements thereon.

SECTION FOURTEEN

Default or Breach

Each of the following events shall constitute a default or breach of this lease by Lessee:

1. If Lessee, or any successor or assignee of Lessee while in possession, shall file a petition in bankruptcy or insolvency or for reorganization under any bankruptcy act, or shall voluntarily take advantage of any such act by answer or otherwise, or shall make an assignment for the benefit of creditors.

2. If involuntary proceedings under any bankruptcy law or insolvency act shall be instituted against Lessee, or if a receiver or trustee shall be appointed of all or substantially all of the property of Lessee, and such proceedings shall not be dismissed or the receivership or trusteeship vacated within 90 days after the institution or appointment.

3. If Lessee shall fail to pay Lessor any rent when the same shall become due and shall not make the payment within 14 days after notice in writing by Lessor to Lessee.

4. If Lessee shall fail to perform or comply with any of the conditions of this lease and if the nonperformance shall continue for a period of 14 days after notice thereof by Lessor to Lessee or, if the performance cannot be reasonably had within the 14-day period, Lessee shall not in good faith have commenced performance within the 14-day period and shall not diligently

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proceed to completion of performance.

5. If Lessee shall vacate or abandon the demised premises.

6. If this lease or the estate of Lessee hereunder shall be transferred to or shall pass to or devolve on any other person or party, except in the manner herein permitted.

7. If Lessee fails to take possession of the demised premises on the term commencement date, or within 60 days after notice that the demised premises are available for occupancy.

SECTION FIFTEEN Effect of Default

In the event of any default hereunder, as set forth in Section Fourteen, the rights of Lessor shall be as follows:

1. Lessor shall have the right to cancel and terminate this lease, as well as all of the right, title, and interest of Lessee hereunder, by giving to Lessee not less than 30 days' notice of the cancellation and termination. On expiration of the time fixed in this notice, this lease and the right, title, and interest of Lessee hereunder, shall terminate in the same manner and with the same force and effect, except as to Lessee's liability, as if the date fixed in the notice of cancellation and termination were the end of the term herein originally determined.

2. Lessor may elect, but shall not be obligated, to make any payment required of Lessee herein or comply with any agreement, term, or condition required hereby to be performed by Lessee, and Lessor shall have the right to enter the demised premises for the purpose of correcting or remedying any such default and to remain until the default has been corrected or remedied, but any expenditure for the correction by Lessor shall not be deemed to waive or release the default of Lessee or the right of Lessor to take any action as may be otherwise permissible hereunder in the case of any default.

3. Lessor may re-enter the premises immediately and remove the property and personnel of Lessee, and store the property in a public warehouse or at a place selected by Lessor, at the expense of the Lessee. After re-entry Lessor may terminate the lease on giving 14 days' written notice of termination to Lessee. Without the notice, re-entry will not terminate the lease. On termination Lessor may recover from Lessee all damages proximately resulting from the breach, including the cost of recovering the premises, and the worth of the balance of this lease over the reasonable rental value of the premises for the remainder of the lease term, which sum shall be immediately due Lessor from Lessee.

4. After re-entry, Lessor may relet the premises or any part thereof for any term without terminating the lease, at the rent and on the terms as Lessor may choose. Lessor may at any time after a reletting terminate the lease for the breach on which Lessor had based the re-entry and subsequently relet the premises.

SECTION SIXTEEN Access to Premises; Signs Posted by Lessor

Lessee shall permit Lessor or its agents to enter the demised premises at all reasonable hours to inspect the premises or make

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repairs that Lessee may neglect or refuse to make in accordance with the provisions of this lease.

SECTION SEVENTEEN
Port of Skamania County Land Standards

Lessee agrees to be bound by and comply with the Port of Skamania County Land Standards, a copy of which is incorporated herein and annexed hereto as Exhibit A.

SECTION EIGHTEEN
Compliance with Port Regulations and with all Laws

Lessee agrees to comply with all applicable rules and regulations of the Lessor pertaining to the premises now in existence or hereafter promulgated for the general safety and convenience of the Lessor, its various tenants, invitees, licensees and the general public. Lessee further agrees to comply with all applicable federal, state, and municipal laws, ordinances, and regulations. Any fees for any inspection of the premises during or for the lease term by any federal, state or municipal officer and the fees for any so-called "Certificate of Occupancy" shall be paid by Lessee.

SECTION NINETEEN
Easements, Agreements, or Encumbrances

The parties shall be bound by all existing easements, agreements, and encumbrances of record relating to the demised premises, and Lessor shall not be liable to Lessee for any damages resulting from any action taken by a holder of an interest pursuant to the rights of that hold thereunder.

SECTION TWENTY
Quiet Enjoyment

Lessor warrants that Lessee shall be granted peaceable and quiet enjoyment of the demised premises free from any eviction or interference by Lessor if Lessee pays the rent and other charges provided herein, and otherwise fully and punctually performs the terms and conditions imposed on Lessee.

SECTION TWENTY-ONE
Liability of Lessor

Lessee shall be in exclusive control and possession of the demised premises, and Lessor shall not be liable for any injury or damages to any property or to any person on or about the demised premises nor for any injury or damage to any property of Lessee. The provisions herein permitting Lessor to enter and inspect the demised premises are made to insure that Lessee is in compliance with the terms and conditions hereof and makes repairs that Lessee has failed to make. Lessor shall not be liable to Lessee for any entry on the premises for inspection purposes.

SECTION TWENTY-TWO
Waivers

The failure of Lessor to insist on a strict performance of any of the terms and conditions hereof shall be deemed a waiver of the rights or remedies that Lessor may have regarding that specific instance only, and shall not be deemed a waiver of any subsequent breach or default in any terms and conditions.

SECTION TWENTY-THREE
Interest on Past Due Sums

Lessee shall pay to Lessor interest monthly at the maximum rate permitted from time to time on all sums owing to Lessor, (including but not limited to rental payments hereunder) commencing 30 days after the date such sums are due and payable.

SECTION TWENTY-FOUR
Notice

All notices to be given with respect to this lease shall be in writing. Each notice shall be sent by registered or certified mail, postage prepaid and return receipt requested, to the party to be notified at the address set forth herein or at such other address as either party may from time to time designate in writing.

Every notice shall be deemed to have been given at the time it shall be deposited in the United States mails in the manner prescribed herein.

LESSOR: Port of Skamania County LESSEE: Horizon Forest Products,
P.O. Box 413 P.O. Box 418 Inc.
Stevenson, WA 98648 Carson, WA 98610

SECTION TWENTY-FIVE
Assignment, Mortgage, or Sublease

Neither Lessee nor its successors or assigns shall assign, mortgage, pledge, or encumber this lease or sublet the demised premises in whole or in part, or permit the premises to be used or occupied by others, nor shall this lease be assigned or transferred by operation of law, without the prior consent in writing of Lessor in each instance; provided, however, that Lessor agrees that Lessee shall have the right to assign this lease to Koppers, Inc., a Pennsylvania Corporation; and provided further that in the event of such assignment Koppers, Inc. shall have no right to assign or sublet such interest as it might acquire under the provisions of this paragraph to any third party or entity without the prior written approval of Lessor.

SECTION TWENTY-SIX
Total Agreement; Applicable to Successors

This lease contains the entire agreement between the parties and cannot be changed or terminated except by a written instrument subsequently executed by the parties hereto. This lease and the terms and conditions hereof apply to and are binding on the heirs, legal representatives, successors, and assigns of both parties.

SECTION TWENTY-SEVEN
Applicable Law

This agreement shall be governed by and construed in accordance with the laws of the State of Washington.

SECTION TWENTY-EIGHT
Time of the Essence

Time is of the essence in all provisions of this lease.

IN WITNESS WHEREOF, the parties have executed this lease at

Stevenson, Washington the day and year first above written.

LESSOR:
PORT OF SKAMANIA COUNTY, BY:

Ferry

STATE OF WASHINGTON)
County of Skamania) ss.

On this day personally appeared before me Larry Hendrickson, Manager of the Port of Skamania County, known to me to be the individual described in and who executed the within foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 23 day of November, 1983.

Gayle K. Ferguson
Notary Public in and for the
State of Washington, residing
at Sevenson

LESSEE:

HORIZON FOREST PRODUCTS, INC.,
BY:

Michael L. Knobel
MICHAEL L. KNOBEL,
President-Secretary

STATE OF WASHINGTON)
County of Skamania) ss.

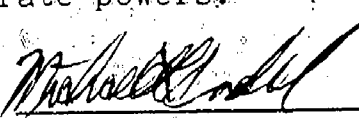
On this 23 day of November, 1983, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared MICHAEL L. KNOBEL, to me known to be the President-Secretary of HORIZONS FOREST PRODUCTS, INC., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

Robert C. Lohr
Notary Public in and for the State
of Washington, residing at
Washougal

Certification of Authority

I, Michael L. Knobel, certify that I am the President-Secretary of the corporation named as Lessee herein; that Michael L. Knobel, who signed this lease on behalf of the Lessee were then President and Secretary of the corporation, respectively; that said lease was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

 - PKE-S.
(Corporate Seal)
MICHAEL L. KNOBEL,
President/Secretary

Unofficial Copy

EXHIBIT "A"

The Northwest Quarter of the Northwest Quarter of the Northeast Quarter of Section 1, Township 3 North, Range 7½ East, W.M.; said tract of real property being also described as the Northwest Quarter of Government Lot 14 of the said Section 1; except that portion thereof conveyed to the State of Washington for right-of-way for secondary state highway No. 8-C as relocated:

EXCEPT that portion legally described as follows:

Beginning at the Northeast corner of said property thence West along County Road right-of-way (known as Old State Road) 165 feet; thence South 355 feet; thence West 375 feet; thence North 165 feet; thence West 120 feet to the West property line; thence North to the County Road right-of-way; thence East along said right-of-way to the point of beginning.