

EQUIPMENT LEASE

TIMBERLINE EQUIPMENT CO., INC.

2690 N.W. Nicolai St., Portland 10, Oregon

This lease made between Timberline Equipment Co., Inc. of Portland, Oregon, herein referred to as the LESSOR,
and O & B Logging Co.
Stevenson, Washington, herein referred to as the LESSEE,

WITNESSETH

In consideration of the rental payments and other agreements hereinafter particularly specified, the Lessor hereby leases unto the Lessee, in its present "as is" condition and state of repair, certain equipment more particularly described as follows:

Model 666
One only new Clark Razor Skidder S/A 1036-214, complete with blade,

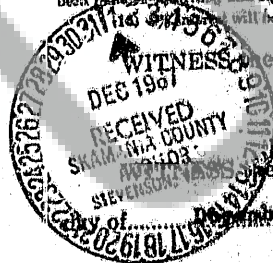
and Model 19 Caterpillar Winch

To be used on _____
(government, city, state)

Contract No. _____ State of Washington County of Skamania

and Bonded by _____ plus Washington State Tax of 45.00
The Lessee Agrees:

- (1) To pay monthly rental in advance for said equipment, whether or not it is used, in the sum of 1,000.00 per month for a single shift of eight (8) hours per day for a maximum of 25 days during each monthly rental period and additional time shall be paid for within ten (10) days after the end of the monthly rental period at the rate of 1/50th of said monthly rent for each additional shift of eight (8) hours per day;
- (2) To pay rental at said monthly rate for a minimum period of 6 months, from date of shipment from the Lessor's warehouse and thereafter until the equipment is returned to the Lessor;
- (3) To pay all transportation charges each way from _____ to the Lessor's warehouse to include loading and unloading costs;
- (4) To pay as additional rental all taxes or public charges that may be assessed or levied against the equipment;
- (5) To provide insurance to cover the agreed full 21,995.00 value of the equipment, insuring it against loss by fire and/or other hazards or casualties for the benefit of the Lessor;
- (6) To keep free, save harmless and/or indemnify the Lessor from any and all liability for loss or damage to person or property during the term hereof;
- (7) Not to remove the equipment from the State of Washington without the written consent of the Lessor;
- (8) Not to sublet, hire out, or encumber the equipment, but to keep it free and clear of all liens, claims and encumbrances of whatsoever kind;
- (9) To immediately replace or pay for any and all items or parts lost or found missing, or worn out or otherwise damaged beyond repair;
- (10) To maintain the equipment in good condition and repair;
- (11) To pay any and all charges of the Lessor for replacement and/or repairs promptly when due;
- (12) To return to the Lessor, upon expiration or sooner termination of this lease, all of said equipment, in as good condition as received by the Lessee, ordinary wear and tear alone excepted;
- (13) That no representation, agreement or warranty with respect to the equipment described herein has been made or is to be implied, except that the Lessor is the owner thereof and such as may be noted and signed by the Lessor on the reverse side hereof. Further, it is expressly agreed that the Lessor shall not be liable to any person for consequential damages of any kind or nature from any cause whatever arising under this agreement;
- (14) That in addition to its other rights herein provided, the Lessor shall at its option be entitled to repossess said equipment or any part thereof at any time upon the failure of the Lessee to pay rent as the same shall become due or upon default by the Lessee in the performance of any other agreement herein contained. Further, in the event suit or action shall be instituted by the Lessor to enforce any rights of the Lessor hereunder, the Lessee agrees to pay such sum as the court may adjudge reasonable for attorney's fees in such suit or action;
- (15) That this equipment lease contains the entire agreement of the parties with respect to the equipment herein described and shall be controlling unless and until this agreement is cancelled by a subsequent agreement or otherwise, or is modified. No modification hereof shall become effective unless and until the same shall have been reduced to writing and signed by an officer of Timberline Equipment Co., Inc. on behalf of the Lessor.



Witness the signature of the Lessee, affixed this 1st day of December, 1967.

Witness the signature of the Lessor, affixed at Portland, Oregon on the date of shipment, this 1st day of _____, 1967.

TIMBERLINE EQUIPMENT CO., INC.

By Paul C. Myers
Lessor

NOTE: It is now and for many years has been the policy of Timberline Equipment Co., Inc. to rent all types of equipment to purchase the same for cash at a reduced price (the amount of the reduction being dependent upon type of equipment and length of time leased) so long as there are no unpaid rentals due under any contract for the rental thereof. The Company reserves the right, however, to alter or discontinue such policy at any time, or in any instance, without notice.