

21831

## NET LEASE AGREEMENT

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AGREEMENT made this 1st day of April, 1968 in the City of Klamath Falls, Ore. by and between BEE HIVE AUTO LEASE, P. O. Box 459, Klamath Falls, Oregon party of the first part (hereinafter called Lessor) and Guy F. Hinson, Rt. 1 Box 37A, Bonanza, Oregon party of the second part (hereinafter called the Lessee), for the leasing of automobiles or trucks (hereinafter called vehicles).

1. **TERM OF AGREEMENT.** Lessor agrees to lease each vehicle to Lessee for Two Years from date of notification by Lessor that said vehicle is ready for delivery at the place mutually agreed upon. The number of vehicles to be leased under this agreement, and make and model of vehicles, and their extra equipment, shall be mutually agreed upon and described in the attached schedule.
2. **MONTHLY PAYMENT.** Lessee agrees to pay Lessor monthly for each vehicle \$100.00 of which \$23.53 shall be for rental and \$76.47 for reserve. \$100.00 first payment and \$100.00 last payment payable in advance. By approval of Lessee, the amount of \$\_\_\_\_\_ for mortgage insurance for the lease balance shall be included in the total payment. Rental to be adjusted to 1% of balance owing annually. Lessee shall pay rent in advance for each leased vehicle at Lessor's place of business (unless notified otherwise) on or before the first day of each calendar month for which such rent shall accrue, (and in the event of delivery of a leased vehicle during a month rental shall be prorated on the basis of a 30 day month and shall be payable no later than the first day of the month succeeding delivery date, and in the event that any leased vehicle is otherwise in the possession of the Lessee for less than a full calendar month rent shall be prorated on the basis of a 30 day month) in the amounts of the following schedule.
3. **LICENSES.** Lessor will license each vehicle as provided in the Schedule for such vehicle and upon request Lessee will reimburse Lessor for the costs thereof.
4. **TAXES.** Lessee will pay all Taxes, charges and fees imposed upon each vehicle arising out of the leasing use or operation thereof.
5. **REMOVAL FROM STATE.** Lessee will obtain permission in writing from Lessor before removing said vehicle from the State of Oregon, and reimburse Lessor for any and all expenses incurred in locating said vehicle if permission not given before leaving.
6. **INSURANCE.** Lessee shall furnish insurance as stated on page 3, for each vehicle. Lessor shall be named as co-insured and Lessee will supply Lessor with evidence of such coverage upon delivery of each vehicle.
 

Lessee agrees:

  - (A) if the costs of any public liability, property damage liability, or material damage be procured by Lessor under the terms of Paragraph (B) hereof should be increased during the term of any lease with respect to any car because of the unfavorable accident experience of the Lessee, or because of any increase of rates approved by the State in which the car is registered or for any other reason, the monthly rental for such car shall be increased by a sum equal to the amount of such increase in the costs of such insurance divided by the number of months in the remaining term with respect to such car.
  - (B) Lessor shall not be liable for any loss suffered by Lessee because of damage to, or destruction of, any cargo or property contained in a car, or any loss of profits or other consequential damages or any inconvenience resulting from the theft, damage to or destruction of a car or the time required to recover, repair or replace it. Lessor shall incur no liability to Lessee for any failure of Lessor to furnish cars under this lease where such failure is due to strikes, work stoppages of any nature whatsoever, or any other causes beyond the control of the Lessor. There shall be no rebate or deferment of the regular rental income due Lessor for any of the above reasons.
  - (C) To require its employees to comply with the terms of insurance policies and to reimburse Lessor for all loss resulting from lack of such compliance.
  - (D) To reimburse Lessor for any loss in excess of insurance coverages listed above, and;
  - (E) To indemnify Lessor against any claims by passengers or owners of cargo not covered by such insurance. Also any claim and/or liability regardless of the nature thereof, including attorneys fees and other expenses for the defense of such claim or liability imposed by law or otherwise, upon Lessor arising out of use or operation of any vehicle during the period said vehicle is leased under this agreement. Lessee shall either insure or self-insure against loss or damage to said vehicles due to collision, theft, fire, or other causes.
7. **ACCIDENTS.** Lessee will notify Lessor of any accident and loss or damage to each vehicle within twenty four (24) hours following such event, giving complete information to the Lessor.
8. **USE.** Lessee will not use, operate, store or load any vehicle negligently, or in violation of law so as to void any insurance coverage of such vehicle, or let or use the vehicle as a public conveyance or permit any such vehicle to become subject to liens, charges or encumbrances.
9. **WARRANTIES.** Lessor makes no warranties other than those stated herein and Lessor shall not be liable for any loss or damage to Lessee of any kind and howsoever caused by any vehicle, nor shall Lessor, unless otherwise agreed in writing, be responsible for the repair, maintenance, service, adjustments, or equipment of such vehicle, or for any interruption of service or loss of business, regardless of how caused.
10. **REPAIRS AND MAINTENANCE.**
  - (A) Lessee agrees to hire only competent and careful drivers, to require them to operate each vehicle leased in accordance with the state laws and the owners manual.
  - (B) Lessee agrees at Lessee expense to lubricate, change oil, and oil filter cartridge at reasonable intervals per manufacturers recommendations.
  - (C) Lessee agrees to cause each vehicle leased to be maintained in good repair and to be returned to Lessor at the end of the lease period in good repair, ordinary wear excepted.

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(D) Lessee shall have the right to paint in any special color or manner, any leased vehicle or to attach hereto advertising signs or special equipment provided however that Lessee shall at the end of the leased term either cause such vehicle to be repainted in original color or reimburse Lessor for the cost of repainting, and Lessee shall remove all advertising signs or special equipment and at its own expense, restore each leased vehicle to its original condition at the end of the leased period, ordinary wear excepted.

(E) Upon request, Lessor will use its best efforts to supply leased vehicles factory painted to Lessee's specifications upon reimbursement by Lessee of any special charges therefor. Each such vehicle shall be repainted by Lessee in a standard color at the end of the leased period, or Lessor shall be reimbursed by Lessee for the cost of such repainting.

11. **ASSIGNMENT.** Lessee will not assign this agreement nor sublease any vehicle covered hereby. The lease of each vehicle and the rights of the Lessee shall be subject and subordinate to the lien of any conditional sales contract, chattel mortgage, or other lien instrument and to the rights of the holder thereof, whether heretofore or hereafter executed with respect to such vehicle. Lessor may assign this agreement along with collateral documents without prior consent of Lessee to financial institutions as security for any indebtedness of Lessor and all right, title and interest of Lessor in this agreement shall inure to the benefit of the Assignee and its successors and assigns.

12. **TERMINATION.** Lessee may terminate the lease of any vehicle hereunder upon maturity of the lease, provided the Lessee:

- (A) shall not be in default of this agreement;
- (B) shall have given Lessor thirty (30) days notice in writing of intention to terminate;
- (C) Returned the vehicle to Lessor at the place designated or Lessors place of business and;
- (D) The rental for the use of each such vehicle should be adjusted and paid on the following basis,

The Lessee shall pay to the Lessor the difference, if any, between the Depreciation Reserve for such vehicle and the Original Value thereof as set forth in the schedule for such vehicle, to be determined as follows: Upon delivery of the vehicle, the Lessor will offer it for sale, to licensed dealers only, subject to approval of the amount by the Lessee. During the 21 days following the return of the vehicle, Lessor will advise the Lessee of the bids received, and if Lessee fails to approve any thereof during such period, Lessor, at any time thereafter may sell the vehicle to a licensed dealer only, for the highest cash offer then available. Should the price paid to the Lessor for the vehicle when added to the Depreciation Reserve accumulated to the time of sale be in excess of the Original Value of such vehicle, the Lessor will then pay the amount of such excess to Lessee, and if it be less than the Original value, Lessee, as additional rent, shall pay the difference to Lessor upon Demand.

13. **DEFAULT.** Time is of the essence, and if Lessee be in default hereof, or if a proceeding of bankruptcy, insolvency, reorganization, or receivership is instituted by or against Lessee or its property, or if any carrier of insurance cancels any policy of insurance or determines that Lessee is uninsurable risk at Standard rates, then Lessor, at its option, may (a) declare immediately due and payable and Lessee will pay the rent then unpaid for the balance of the lease term on such vehicles as Lessor may request, or (b) take possession of any or all vehicles and (1) terminate the lease and all rights of the Lessee to any or all thereof; or (2) sell any or all thereof and remit any excess and Lessee will pay any deficiency as provided in paragraph 12 hereof; or (3) lease any or all thereof for the account of Lessee or; (c) permit Lessee to retain possession of the vehicle, and, as additional rental to that herein provided, charge Lessee (and Lessee agrees to pay) one per cent (1%) per month on all delinquent total monthly payments commencing fifteen (15) days following the date of each default and continuing until payments for each such vehicle are current. Lessee waives all claims for damages because of entry or taking possession upon default by Lessee.

No remedy is exclusive of another. If Lessee be in default, as to any one vehicle, Lessee may not terminate the lease of any other vehicle except as provided in paragraph 12 hereof. If suit be instituted to enforce this agreement, the party failing to prevail will pay the other such sum as the Court may award as attorneys fees.

14. **GENERAL.** This is an agreement of Lease and nothing to be construed as conveying to Lessee any rights except as a Lessee and as herein provided. Lessee will return each vehicle to Lessor at the end of the lease term thereof in the same condition as when received, less reasonable wear and tear only. Any obligation of Lessor may be suspended to the extent that it is hindered from complying therewith because of any matter beyond its control. Rent shall not abate for any reason until the termination of the lease term of each vehicle. Any use of a vehicle after the lease term shall be at the same rent and may be terminated by Lessor upon thirty (30) days notice. Lessee authorizes Lessor to insert at any time in each schedule the information identifying the vehicle and the date it was delivered to the Lessee. Notices hereunder shall be given in writing and mailed to the other at the address specified for each below. This agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto:

IN WITNESS WHEREOF, the parties hereto have executed this lease the day and year first written above.

Guy F. Hitson

*Guy F. Hitson*

(LESSEE)

BEE HIVE AUTO LEASE

By:

*Stephen Walker*

(LESSEE)

Rt. 1 Box 37A, Bonanza, Oregon

(ADDRESS)

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# SCHEDULE MOTOR VEHICLES

No.	Year Model	Make	Serial Model Number	Equipment	Monthly Rent per Vehicle	Terms
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1523 1939 Trailer with Stock Rack (Merritt Upright)

Serial #A1336

Lease Price: \$2,352.90

Rent: 23.53

Reserve: 76.47

Monthly Payment: 100.00

— INSURANCE — Oregon Farm Bureau

## MINIMUM LIMITS FOR EACH MOTOR VEHICLE TO BE MAINTAINED BY LESSOR

Bodily injury liability per individual	\$	
Bodily injury liability per accident	\$	
Property damage liability	\$	
Fire, Theft and Comprehensive	\$	
Collision	\$	

NONE  
Value Deductible

## MINIMUM LIMITS FOR EACH MOTOR VEHICLE TO BE MAINTAINED BY LESSEE

Bodily injury liability per individual	\$	50,000.00
Bodily injury liability per accident	\$	100,000.00
Property damage liability	\$	25,000.00
Fire, Theft and Comprehensive	\$	ACV
Collision	\$	100.00

(Deductible part to be paid by Lessee)

APPROVED: This 1st day of April, 19 68, as a part of Motor Vehicle Lease

dated the 1st day of April, 19 68,

BEE HIVE AUTO LEASE

Signed Guy F. Hitson

D.B.A.

By: Stephen Walker

By:

STATE OF OREGON, } ss  
County of Klamath }

Filed for record at request of

Bee Hive Auto Lease Company

on this 19th day of April, A.D. 19 68

at 12:13 o'clock PM, and duly

recorded in Vol. M-68 of Miscellaneous

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DOROTHY ROGERS, County Clerk

By: [Signature] Deputy Clerk

Fee 4.50

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