

INDEMNITY CONTRACT AGREEMENT

This Contract of Indemnity made and entered into this 17th day of July, 1973, by MINERVA DEVELOPMENT CORPORATION, hereinafter called "MINERVA" and the City of Klamath Falls, a municipal corporation, hereinafter called "City"

RECITALS:

A. Minerva is the owner of a tract of land in the City of Klamath Falls, County of Klamath, State of Oregon, described as follows:

A parcel of land containing 100 acres more or less in Klamath County, Oregon, lying west of Moore Park and South of Lakeshore Gardens subdivision described as follows: Beginning at the point of intersection of the east line of Section 25, T38S, R8E, WM, with the centerline of Lakeshore Drive (defined as Market Road #9 on the plat of Lakeshore Gardens subdivision) from which point the southeast corner of said Section 25 bears south 2188.4 feet; thence south 2188.4 feet along the east line of said Section 25; thence south 990.0 feet along the east line of Section 36, T38S, R8E, WM; thence West 660.0 feet; thence north 35 degrees west 2333.4 feet; thence north 798.4 feet more or less to the point of intersection of the southern boundary of Lakeshore Gardens subdivision as shown on the official plat thereof; thence in an easterly direction along the said boundary of Lakeshore Gardens Subdivision 1653.0 feet more or less to a point; thence continuing on the said boundary of Lakeshore Gardens subdivision north 38 degrees, 28 minutes east 854.9 feet to a point; thence north 67 degrees, 15 minutes east 151.6 feet to the point of beginning containing 99 acres more or less, AND ALSO INCLUDING: Lots 3, 4, and 57 of Lakeshore Gardens Subdivision, Klamath County, Oregon according to the official plat thereof containing 1 acre more or less.

B. Minerva petitioned the City of Klamath for the formation of an improvement district upon the above-described property referred to as Lynnewood Subdivision Improvement Unit 245.

C. City called for bids on a construction management contract for said improvement district and Minerva being the only and best bidder.

D. Minerva desires to indemnify the City against certain contingencies hereinafter described and in lieu of a performance bond is willing to pledge the above-described property as security against said contingencies.

WITNESSETH:

IN CONSIDERATION of the promises hereinafter contained the parties agree as follows:

1. INDEMNITY CONTRACT AGREEMENT

Filed for record at request of MINERVA DEV. CO

this 20th day of JULY A. D., 1973 at 4:37 o'clock PM., and duly recorded in Vol. M 73 of DEEDS on Page 9388

FEE \$ 4.00

WM. D. MILNE, County Clerk

By

Hazel Drayle

I

Upon the execution of this agreement the requirements under the construction management agreement dated July 2, 1973 providing a Performance Bond are hereby waived by the City.

II

Minerva agrees to indemnify City against any loss occasioned by any one of the following events:

- (a) failure by Minerva to perform according to the terms of the above-mentioned contract dated July 2, 1973.
- (b) failure by Minerva to promptly pay any subcontractor or materialman or workman any sums due or that may become due under the contract of July 2, 1973.
- (c) in the event Minerva is unable or unwilling for any reason to bond any or all of the sums advanced by the City as Improvement warrants against said contract under the Bancroft Bonding Act, Minerva shall become immediately liable to City and indemnify City against such loss.

III

For the faithful performance of this agreement Minerva pledges the above-described property as security against the contingencies herein and in the event of default the City may bring suit in the Circuit Court of the State of Oregon, County of Klamath to foreclose Minerva's interest in the above described property in the same manner as in the foreclosure of a mortgage on real property.

IN WITNESS WHEREOF, the parties set their hands and seals.

MINERVA DEVELOPMENT CORPORATION

By Donald K. Kelley

CITY OF KLAMATH FALLS, OREGON

By James H. Brown



Minerva Dev. Co.
430 Walnut
17-3

2. INDEMNITY CONTRACT AGREEMENT

STATE OF OREGON; COUNTY OF KLAMATH; ss.

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this 20th day of JULY A.D., 1973 at 4:37 o'clock PM., and duly recorded in
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FEE \$ 4.00

WM. D. MILNE, County Clerk

By Hazel W. Hazel