

5746

THE MORTGAGOR

12239

JACK H. ROBERTS AND KARIN W. ROBERTS, Husband and Wife

hereby mortgage to FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION of Klamath Falls, a Federal Corporation, hereinafter called "Mortgagee," the following described real property, situated in Klamath County, State of Oregon, and all interest or estate therein that the mortgagor may hereafter acquire, together with the income, rents and profits thereof, to wit:

Lot 13 in Block 4, Tract No. 1087, FIRST ADDITION TO BANYON PARK, Klamath County, Oregon.

Mortgagors performance under this Mortgage and the Note it secures may not be assigned to or assumed by another party. In the event of an attempted assignment or assumption, the entire unpaid balance shall become immediately due and payable.

together with all heating apparatus (including firing units), lighting, plumbing, water heater, venetian blinds, and other fixtures which now are or hereafter may be attached to or used in connection with said premises and which shall be construed as part of the realty, to secure the payment of a certain promissory note executed by the above named mortgagors for the principal sum of TWENTY FIVE THOUSAND FIVE HUNDRED AND NO/100

semi-annual installments on the Dollars, bearing even date, principal, and interest being payable in ~~monthly~~ semi-annual installments on the 2nd day of April, 1976, and the 2nd day of October, 1976, and the principal balance plus interest due on or before 18 months from date.

and to secure the payment of such additional money, if any, as may be loaned hereafter by the mortgagee to the mortgagor or others having an interest in the above described property as may be evidenced by a note or notes. If the mortgage indebtedness is evidenced by more than one note, the mortgagee may credit payments received by it upon any of said notes, or part of any payment on one note and part on another, as the mortgagee may elect.

The mortgagor covenants that he will keep the buildings now or hereafter erected on said mortgaged property continuously insured against loss by fire or other hazards, in such companies as the mortgagee may direct, in an amount not less than the face of this mortgage, with loss payable first to the mortgagee to the full amount of said indebtedness and then to the mortgagor; all policies to be held by the mortgagor. The mortgagor hereby assigns to the mortgagee all right in all policies of insurance carried upon said property and in case of loss or damage to the property insured, the mortgagor hereby appoints the mortgagee as his agent to settle and adjust such loss or damage and apply the proceeds, or so much thereof as may be necessary, in payment of said indebtedness. In the event of foreclosure all right of the mortgagor in all policies then in force shall pass to the mortgagee thereby giving said mortgagee the right to assign and transfer said policies.

The mortgagor further covenants that the building or buildings now or hereafter erected upon said premises shall be kept in good repair, not altered, extended, removed or demolished without the written consent of the mortgagee, and to complete all buildings in course of construction or hereafter constructed thereon within six months from the date hereof or the date construction is hereafter commenced. The mortgagor agrees to pay, when due, all taxes, assessments, and charges of every kind levied or assessed against said premises, or upon this mortgage or the note and/or the indebtedness which it secures or any transactions in connection therewith or any other lien which may be adjudged to be prior to the lien of this mortgage or which becomes a prior lien by operation of law; and to pay premiums on any life insurance policy which may be assigned as further security to mortgagee; that for the purpose of providing regularly for the prompt payment of all taxes, assessments and governmental charges levied or assessed against the mortgaged property and insurance premiums while any part of the indebtedness secured hereby remains unpaid, mortgagor will pay to the mortgagee on the date installments on principal and interest are payable an amount equal to 1/12 of said yearly charges. No interest shall be paid mortgagor on said amount, and said amounts are hereby pledged to mortgagee as additional security for the payment of this mortgage and the note hereby secured.

Should the mortgagor fail to keep any of the foregoing covenants, then the mortgagee may perform them, without waiving any other right or remedy herein given for any such breach; and all expenditures in that behalf shall be secured by this mortgage and shall bear interest in accordance with the terms of a certain promissory note of even date herewith and be repayable by the mortgagor on demand.

In case of default in the payment of any installment of said debt, or of a breach of any of the covenants herein or contained in the application for loan executed by the mortgagor, then the entire debt hereby secured shall, at the mortgagee's option, become immediately due without notice, and this mortgage may be foreclosed.

The mortgagor shall pay the mortgagee a reasonable sum as attorneys fees in any suit which the mortgagee defends or prosecutes to protect the lien hereof or to foreclose this mortgage; and shall pay the costs and disbursements allowed by law and shall pay the cost of searching records and abstracting same; which sums shall be secured hereby and may be included in the decree of foreclosure. Upon bringing action to foreclose this mortgage or at any time while such proceeding is pending, the mortgagee, without notice, may apply for and secure the appointment of a receiver for the mortgaged property or any part thereof and the income, rents and profits therefrom.

The mortgagor consents to a personal deficiency judgment for any part of the debt hereby secured which shall not be paid by the sale of said property.

Words used in this mortgage in the present tense shall include the future tense; and in the masculine shall include the feminine and neuter genders; and in the singular shall include the plural; and in the plural shall include the singular.

Each of the covenants and agreements herein shall be binding upon all successors in interest of each of the mortgagors, and each shall inure to the benefit of any successors in interest of the mortgagee.

Dated at Klamath Falls, Oregon, this 2nd day of October, 1975

Jack H. Roberts
(SEAL)
Karin W. Roberts
(SEAL)

STATE OF OREGON | ss
County of Klamath

THIS CERTIFIES, that on this 3rd day of October, 1975, before me, the undersigned, a Notary Public for said state personally appeared the within named JACK H. ROBERTS AND KARIN W. ROBERTS, Husband and Wife

to me known to be the identical persons described in and who executed the within instrument and acknowledged to me that they executed the same freely and voluntarily for the purposes therein expressed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

Gerald V. Brown
Notary Public for the State of Oregon
Residing at Klamath Falls, Oregon.
My commission expires: 11-12-78

12240

MORTGAGE

Mortgagors

-To-
FIRST FEDERAL SAVINGS AND
LOAN ASSOCIATION OF
KLAMATH FALLS
Klamath Falls, Oregon

Mortgagee

STATE OF OREGON } ss
County of Klamath

Filed for record at the request of mortgagee on

October 6, 1975

at 50 minutes past 10:00 o'clock A.M.

and recorded in Vol. 175 of Mortgages.

page 12239 Records of said County

Wm. D. Milne
County Clerk.

By *Harold D. Milne*
Deputy.
Fee \$6.00

Mail to

FIRST FEDERAL SAVINGS AND LOAN
ASSOCIATION OF KLAMATH FALLS
Klamath Falls, Oregon

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LEASE

LEASE made this 1 day of October, 1975,
between Stiles Enterprises, Inc., having its principal
office at First National Bank Tower, Suite 2626, 1300 S.W.
Fifth Avenue, Portland, Multnomah County, Oregon, herein
referred to as lessor, and Klamath County, Oregon, a
governmental subdivision of the State of Oregon, herein
referred to as lessee.

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

SECTION ONE. SUBJECT AND PURPOSE: Lessor leases the
building and land located in the County of Klamath, State
of Oregon, and more particularly described as follows:

Southwesterly 40' of Lot 3, Block 79,
Klamath Addition to the City of
Klamath Falls, Oregon (known as 820
Klamath Avenue),

to lessee for lessee's use as follows:

SECTION TWO. TERM AND RENT: Lessor demises the above
premises for a term of two (2) years, commencing on October 1,
1975, and terminating on October 1, 1977, at 12:00 A.M.,
or sooner as provided herein, at the annual rental of Eight
Thousand Four Hundred and No/100 (\$8,400.00) Dollars, payable
in equal installments of Seven Hundred and No/100 (\$700.00)
Dollars in advance on the first day of each month for that
month's rental, during the term of this lease.

SECTION THREE. ALTERATIONS, ADDITIONS AND IMPROVEMENTS:

(a) Subject to the limitation that no substantial portion
of the building on the demised premises shall be demolished
or removed by lessee without the prior written consent of lessor,
and if necessary, of any mortgagee, lessee may at any time during

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the lease term, subject to the conditions set forth below and at its own expense, make any alterations, additions, or improvements in and to the demised premises and the building. Alterations shall be performed in a workmanlike manner and shall not weaken or impair the structural strength, or lessen the value, of the building on the premises, or change the purpose for which the building, or any part thereof, may be used.

(b) All alterations, additions, and improvements on or in the demised premises at the commencement of the term, and that may be erected or installed during the term, shall become part of the demised premises and the sole property of lessor, except that all moveable trade fixtures installed by lessee shall be and remain the property of the lessee.

SECTION FOUR. REPAIRS: Lessee shall, at its own expense, keep, maintain and repair the leased premises, in good condition and repair, except as hereinafter provided. Lessee agrees on the last day of the term of this Lease, or on the sooner termination thereof, to surrender to Lessors the leased premises, including all buildings and improvements thereon in the same condition as when received, reasonable use and wear thereof, and damage by fire, act of God, or by the elements excepted.

In the event any repairs to the exterior walls and roof of any buildings on the leased premises become necessary during the term of this Lease, then upon notice from Lessee to Lessors stating the necessity therefore and the nature thereof, Lessors shall, with reasonable promptness and at their own cost and expense, after receipt of such notice, make any such necessary repairs specified in such notice.

SECTION FIVE. TAXES: Lessor shall be responsible for all real property taxes and assessments on the property.

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SECTION SIX. 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 SEVEN. INSURANCE: (a) During the terms of the lease and for any further time that lessee shall hold the demised premises, lessee shall obtain and maintain at its expense the following types and amounts of insurance:

Personal Injury and Property Damage Insurance:

Insurance against liability for bodily injury and property damage shall be in the minimum amount of \$25,000/\$50,000 and said policy or policies of insurance to be in standard form and provided by Lessee. Lessee shall also obtain and keep in force during the term of this Lease policies of plate glass insurance covering all exterior glass in the leased premises. During the term of this Lease, Lessor shall at its own expense maintain in full force a policy or policies of fire insurance with standard extended coverage endorsement covering the building on the leased premises in an amount equal to the full insurable value of such building and shall furnish Lessee with satisfactory evidence thereof.

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. If requested by Lessor, any insurance against fire or other casualty shall provide that

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loss shall be payable to the holder under a standard mortgage clause. Rent insurance and use and occupancy insurance may be carried in favor of lessee, but the proceeds are hereby assigned to lessor to be held by lessor as security for the payment of the rent and any additional rent hereunder until restoration of the premises. All insurance shall be written with responsible companies that lessor shall approve, and the policies shall be held by lessor or, when appropriate, by the holder of any mortgage, in which case copies of the policies or certificates of insurance shall be delivered by lessee to lessor. All policies shall require thirty (30) days' notice by registered mail to lessor of any cancellation or change affecting any interest of lessor.

Lessor and Lessee shall each procure from each of the insurers under all policies of insurance referred to in this section a waiver of all rights of subrogation which such insurers under such policies might otherwise, if at all, have as against the other hereto, such waivers to be in writing and for the express benefit of the other.

SECTION EIGHT. DEFAULT OR BREACH: Each of the following events shall constitute a default or breach of this lease by lessee:

(1) If lessee shall fail to pay lessor any rent or additional rent when the rent shall become due and shall not make the payment within ten (10) days after notice thereof by lessor to lessee.

(2) 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 thirty (30) days after notice

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thereof by lessor to lessee or, if the performance cannot be reasonably had within the thirty day period, lessee shall not in good faith have commenced performance within the thirty day period and shall not diligently proceed to completion of performance.

(3) If lessee shall vacate or abandon the demised premises.

(4) 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.

SECTION NINE. DAMAGE TO PREMISES: In the event of a partial destruction during the term hereof the buildings which are a part of the leased premises, from any cause, Lessors shall forthwith repair the same, provided such repairs can be made within (120) days under the laws and regulations of State, County, Federal or Municipal authorities, but such partial destruction shall in no way annul or void this Lease, except that Lessee shall be entitled to a proportionate deduction of rent while such repairs are being made by Lessors, such proportionate deduction to be based upon the extent to which the making of such repairs shall interfere with the business carried on by Lessee in the leased premises. If such repairs cannot be made in (120) days, or such repairs cannot be made under such laws and regulations, this Lease may be terminated at the option of either party. A total destruction of such buildings shall terminate this Lease. In the event of any dispute between Lessors and Lessee relative to the provisions of this Paragraph, they shall each select an arbitrator and the two arbitrators so selected shall select a third arbitrator, and the three arbitrators so selected shall hear and determine the controversy

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and their decision thereon shall be final and binding upon both Lessors and Lessee, who shall bear the cost of such arbitration equally between them.

SECTION TEN. CONDITION: Time is of the essence hereof and should lessee fail to make any payments due hereunder promptly or within ten (10) days from the receipt of notice of such default or fail to remedy any other breach of the within lease within thirty (30) days from the receipt of notice of such breach, lessor may then or at any time thereafter and while such breach continues declare this lease terminated, enter upon the above described real property, take possession thereof and remove therefrom all personal property of lessee and store the same at lessee's expense.

A waiver by either of the parties hereto of any breach by the other will not be considered as a waiver of any subsequent breach.

SECTION ELEVEN. 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 charged provided herein, and otherwise fully and punctually performs the terms and conditions imposed on lessee.

SECTION TWELVE. 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 not for any injury or damage to any property of Lessee, except for injuries or damage to any property or any person arising out of conditions with respect to which Lessor has an obligation of repair.

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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 the repairs that Lessee has failed to make. Lessor shall not be liable to Lessee for any entry on the premises for inspection purposes.

SECTION THIRTEEN. 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, such consent shall not be unreasonably withheld. If this Lease is assigned or transferred, or if all or any part of the demised premises is sublet or occupied by anybody other than lessee, lessor may, after default by lessee, collect rent from the assignee, transferee, subtenant, or occupant, and apply the net amount collected to the rent reserved herein, but no such assignment, subletting, occupancy, or collection shall be deemed a waiver of any agreement or condition hereof, or the acceptance of the assignee, transferee, subtenant, or occupant as lessee. Lessee shall continue to be liable hereunder in accordance with the terms and conditions of this lease and shall not be released from the performance of the terms and conditions hereof. The consent by lessor to an assignment, mortgage, pledge, or transfer shall not be construed to relieve lessee from obtaining the express written consent of lessor to any future transfer of interest, provided, however, such consent shall not be unreasonably withheld.

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SECTION FOURTEEN. SURRENDER OF POSSESSION: Lessee

shall, on the last day of their term, or on earlier termination and forfeiture of the lease, peaceably and quietly surrender and deliver the demised premises to lessor free of sub-tenancies, including all buildings, additions, and improvements constructed or placed thereon by lessee, except moveable trade fixtures, all in good condition and repair, reasonable use and wear thereof, damage by fire, act of God, or by the elements excepted. Any trade fixtures or personal property not used in connection with the operation of the demised premises and belonging to Lessee, if not removed at the termination or default, and if Lessor shall so elect, shall be deemed abandoned and become the property of the Lessor, without any payment or offset therefor. Lessor may remove such fixtures or property from the demised premises and store them at the risk and expense of Lessee if Lessor shall not so elect. Lessee shall repair and restore all damage to the demised premises caused by the removal of equipment, trade fixtures and personal property.

SECTION FIFTEEN. REMEDIES OF LESSOR:

(a) In the event of a breach or a threatened breach by lessee of any of the terms or conditions hereof, lessor shall have the right of injunction to restrain lessee and the right to invoke any remedy allowed by law or in equity, as if the specific remedies of indemnity or reimbursement were not provided herein.

(b) The rights and remedies given to Lessor in this Lease are distinct, separate and cumulative, and no one of them, whether or not exercised by Lessor shall be deemed to be in exclusion of any of the others herein, by law, or by equity provided.

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(c) In all cases hereunder, and in any suit, action, or proceeding of any kind between the parties, it shall be presumptive evidence of the fact of the existence of a charge being due if lessor shall produce a bill, notice, or certificate of any public official entitled to give that notice to the effect that such charge appears of record on the books in his office and has not been paid.

(d) No receipt of money by lessor from lessee after default or cancellation of this lease in any lawful manner shall (1) reinstate, continue, or extend the term or affect any notice given to lessee, (2) operate as a waiver of the right of lessor to enforce the payment of rent and additional rent then due or falling due, or (3) operate as a waiver of the right of lessor to recover possession of the demised premises by proper suit, action, proceeding, or other remedy. After (1) service of notice of termination and forfeiture as herein provided and the expiration of the time specified therein, (2) the commencement of any suit, action, proceeding, or other remedy, or (3) final order or judgment for possession of the demised premises, lessor may demand, receive and collect any monies due, without in any manner affecting such notice, order or judgment. Any and all such monies so collected shall be deemed to be payment on account of the use and occupation of the demised premises or at the election of lessor, on account of the liability of lessee hereunder.

SECTION SIXTEEN. OPTION TO RENEW: Lessee shall have the option to renew this Lease for a period of one year at a time for three consecutive years after the date of the termination of this Lease. Notice of the exercise of this option shall be given to Lessor not less than thirty (30) days before the
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expiration date of the present lease or any extension thereof. In the event of a renewal of this Lease as above provided all of the terms and conditions of the present Lease shall remain in full force and effect, except that Lessor shall not be responsible for the repair to the exterior walls and roof of the leased premises during the term of any renewal of this Lease.

SECTION 17. OPTION OF LESSEE TO PURCHASE: Lessor grants to Lessee the option to purchase the demised premises at any time on or after January 1, 1978, for Fifty-Eight Thousand and No/100ths Dollars (\$58,000.00), on the conditions that Lessee give not less than three (3) months' notice before the expiration date of this Lease of the exercise of this option to Lessor, and that Lessee has observed and complied with all the terms and conditions of this Lease required of Lessee, up to the time of the exercise of that option and the payment of the purchase price therefor, in the manner provided. Lessor shall convey the demised premises by warranty deed, free and clear of all liens and encumbrances, except those that lessee may have created or suffered, and excepting any current taxes and assessments. The deed shall be accompanied by a policy of title insurance in customary form showing a good and unencumbered title. On the delivery of the above-described deed and abstract of title, this Lease shall be void.

SECTION EIGHTEEN. ATTORNEY'S FEES: In the event that lessor is required to bring suit or action in law or equity to enforce the provisions of this lease, lessee hereby agrees to pay lessor reasonable attorney fees and costs to be determined by the Court, including attorney fees if an appeal is taken.

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SECTION NINETEEN. MISCELLANEOUS: Lessor reserves the exclusive right to use the over-head storage located on the premises.

SECTION TWENTY. NOTICE: Any notice given hereunder by one party to the other shall be in writing and shall be delivered either personally upon the other or sent by prepaid registered or certified mail and if intended for Lessors, addressed to them at P.O. Box 1868 Klamath Falls, Ore. and if intended for Lessee, addressed to it as follows: Board of County Commissioners, Klamath County Courthouse, Klamath Falls, Oregon 97601. Either party may change the address for receipt of notices hereunder by giving notice of such change as above provided. All rental payments to Lessors hereunder shall be at the address then in effect for receipt of notices hereunder by Lessors.

IN WITNESS WHEREOF, the parties have executed this Lease in duplicate on the date first above written.

STILES ENTERPRISES, INC.

BY: Elbert W. Stiles
Chairman of the Board

KLAMATH COUNTY, OREGON by
BOARD OF COUNTY COMMISSIONERS

Lloyd Giff Chairman
Quinn R. Home Commissioner
Bryan D. Wams Commissioner

STATE OF OREGON, }
County of Klamath } ss.

Filed for record at request of:
KLAMATH COUNTY BOARD OF COMMISSIONERS
on this 6th day of OCTOBER A. D., 19 75
at 11:43 o'clock A. M. and DEEDS
recorded in Vol. M. 75 of DEEDS
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Let
from Journal

WM. D. MILNE, County Clerk
By Wagel Magill Deputy
Fee Nash