

K 34657
THIS ASSIGNMENT AGREEMENT Made as of the last date set opposite the signatures of the parties hereto, between WM. V. MEADE and WM. JACK MEADE, Initial Trustees UTA dated September 15, 1976; UNITED STATES NATIONAL BANK OF OREGON, Trustee (hereinafter called "Assignor"), and RICHARD F. BOGATAY and FRED W. STILWELL (hereinafter called "Assignee");

W I T N E S S E T H:

For valuable consideration it is mutually agreed as follows:

1. Assignor does hereby assign and set over unto Assignee, without recourse, that certain Lease attached hereto as Exhibit "1".
2. This Assignment is subject to the terms, covenants, and conditions of the above-described Lease.
3. Assignee hereby accepts this Assignment of Lease according to the terms, covenants and conditions above set forth and covenants and agrees with Assignor to perform the terms, covenants and conditions of said Lease assigned to Assignee by this Agreement. Assignee agrees that Assignor retains the right to collect and enforce all rentals accrued under the terms of said Lease based upon a percentage of sales to September 30, 1981, and that all rental based upon a percentage of sales from and after September 30, 1981, shall belong to Assignee. In addition, Assignee agrees Assignor retains the right to collect and enforce any and all other rental obligations accrued to December 31, 1981.
4. Exhibit "1" attached hereto is incorporated into this Agreement as though fully set forth at the place in this Agreement at which reference to it is made. All words used herein in the singular number shall extend to and include the plural. All words used in the plural number shall extend to and include the singular. All words used in any gender shall extend to and include all genders.
5. This Agreement shall inure to the benefit of, and be binding upon, the heirs, administrators, executors, personal representatives, successors-in-interest, and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties have hereunto set their hands on the date set opposite their signatures.

DATE

11/30/81

11-30-81

11/30/81

12/1/81

12/1/81

Return to KCTO 3760

SIGNATURE

WM. V. Meade
WM. V. MEADE (Assignor)

WM. Jack Meade
WM. JACK MEADE (Assignor)

(Initial Trustees UTA dated 9/15/76)

UNITED STATES NATIONAL BANK OF OREGON,
Trustee

x By: Harold M. Under
TRUST ADMINISTRATIVE OFFICER (Assignor)

RICHARD F. BOGATAY
RICHARD F. BOGATAY (Assignee)

FRED W. Stilwell
FRED W. STILWELL (Assignee)

1 THIS LEASE, Made and entered into by and between W.V. Meade, Lois Hout Holley
 2 and Glen W. Hout and Lois Hout Holley as Trustees under the Will of Vera L. Hout
 3 deceased, hereinafter referred to as Lessors, and Arthur A. Rickbeil and Annie
 4 Helen Rickbeil, hereinafter referred to as Lessees,

5 W I T N E S S E T H:

6 Lessors do hereby let and demise to lessees, in consideration of the payment
 7 of the rents and the performance of the covenants contained herein, and lessees
 8 do hereby lease, hire and take from Lessors upon the terms and conditions here-
 9 inafter set forth and in consideration of the covenants of the Lessors herein-
 10 after contained, the real property and storezroom situate at 641 Main Street,
 11 Klamath Falls, Oregon, together with the basement of said premises, except two roo
 therein with access thereto leased to J. Anthony Giacomini.

12 TO HAVE AND TO HOLD the same for and during the term commencing February 1,
 13 1973 and terminating January 31, 1983, subject to the terms and conditions of
 14 this lease hereinafter set forth.

15 IN CONSIDERATION WHEREOF:

16 1. OCCUPANCY: Lessees shall occupy the premises for the purpose of conduct-
 17 ing therein a retail jewelry and general merchandise business.

18 2. RENT: Lessees shall pay for said premises, at the office of Lessors, or
 19 at such other place as Lessors, their suscessors or assigns, may from time to
 20 time in writing designate, an annual rental of \$7200.00, in equal monthly
 21 installments of \$600.00, in advance, on the first day of each and every month
 22 during said term.

23 In addition to said cash rental, lessees shall pay lessors on or before
 24 November 15th of each year, commencing with the year 1973, an amount equal to
 25 the increase, if any, of real property taxes each year over those for the fiscal
 26 year 1972-73.

27 The leased premises are only a portion of the building in which they are
 28 situate. For the purpose of arriving at the amount of the taxes, it is agreed
 29 that the total tax shall be apportioned 80% to the main floor and 20% to the
 30 upper portion, and Lessees hereunder shall bear and pay one-half of any such
 31 increase over the said 80% apportioned to the main floor. Any increase for the
 32 first year of the lease shall be borne 5/12ths by Lessors and any increase in
 the last year shall be borne 7/12ths by Lessees.

1 Lessees further covenant and agree that they shall annually, not later than
 2 March 1st of every year commencing with the year 1974, pay unto lessors an
 3 amount equal to six percentum of total gross sales during the fiscal year ending
 4 the preceding January 31st which shall exceed the sum of \$140,000.00. Gross
 5 sales shall include compensation for repairs but shall not include returns and
 6 allowances. Lessees shall furnish lessors an annual accounting of such sales
 7 and shall permit lessors and their accountants to inspect their books and
 8 income tax returns.

9 Lessors shall forthwith remodel the premises in accordance with plans and
 10 specifications of William H. Seibert, Architect, which are attached hereto and
 11 shall complete such remodeling not later than November 15, 1970.

12 Lessors do further give and grant unto Lessees:

13 3. OPTIONS: The options to renew this lease for two successive periods of
 14 five years each, from the expiration hereof, upon the same terms and conditions
 15 and for the same rentals herein set forth; provided, however, that Lessees shall
 16 notify lessors in writing of their intention to exercise said option on or before
 17 six months before the expiration of the then current term.

18 4. TRADE FIXTURES: Trade fixtures, furniture and equipment, including any
 19 which Lessees may purchase from the present tenant, shall be the property of
 20 Lessees and removable by them on the termination of the lease, or any extension
 21 thereof. Lessees may, at their own expense, install electric neon signs on the
 22 exterior of the leased premises.

23 5. MAINTENANCE: Lessors agree to maintain the sidewalk, roof and all struc-
 24 tural parts of said premises in good order and repair, as well as all plumbing and
 25 heating pipes and internal electrical wiring required to service the premises,
 26 and any repairs thereto, except minor repairs, shall be made at the expense of
 27 Lessors. All other repairs shall be made by lessees at their expense. Lessors
 28 shall not be liable for damages occasioned by their failure to repair, unless
 29 notice of necessity therefor shall have been given them in ample time to make
 30 repairs. Lessees shall surrender possession of said premises on termination of
 31 this lease, or any extension thereof, in as good condition as at the beginning
 32 of occupancy, damage by ordinary wear, fire, earthquake or the elements,

1 excepted, as well as any alterations consented to by Lessors.

2 6. LIABILITIES: Lessors shall not be responsible for damage arising out of
3 latent defects in the premises or the building, or from acts or omissions of
4 others, except when caused by negligence of Lessors, their representatives, agents
5 or employees. It is further agreed that Lessees will hold Lessors harmless
6 against damages resulting from any injury which may be sustained by anyone in
7 the premises during Lessees' occupancy thereof, except when due to the negligence
8 of Lessors, their representatives, agents or employees. Each party hereby
9 releases the other from any and all liability of every kind and nature which may
10 result from the perils of fire, lightning, windstorm, hail, explosion (except fr
11 steam boiler), vehicle or aircraft damage, strike, riot and civil commotion, or
12 smoke damage, which either originate, occur or cause damage on the premises here
13 in described; such release to include situations where negligence of a party
14 causes or contributes to the occurrence or the resultant damage.

15 7. FIRE CLAUSE: It is hereby agreed that if the building or said premises,
16 or any part thereof, be destroyed or damaged by fire or earthquake, unforeseen
17 casualty, or the elements, Lessors shall, as expeditiously as possible, reconstru
18 or repair the same, and this lease shall continue in effect; Provided, however,
19 that if the leased premises are 50% or more destroyed, the parties shall proceed
20 as follows: Lessors or Lessees may elect to terminate the lease as of the date
21 of the damage or destruction by notice given to the other in writing by regis-
22 tered mail not more than 30 days following the date of damage. In such event,
23 all rights and obligations of the parties shall cease as of the date of termina-
24 tion, and Lessee shall be entitled to reimbursement of any prepaid rent or real
25 property taxes, or other amounts paid by Lessee attributable to the anticipated
26 term subsequent to the termination date.

27 8. UTILITIES: Lessees agree that they will pay all charges made against
28 said premises for water, gas, electric light, power, heat, telephone and garbage
29 disposal, and for any other services or commodities furnished or supplied or used
30 in or about said premises during the term hereof.

31 9. LOCAL REGULATIONS: Lessees agree to observe and obey all sanitary rules
32 and regulations and all laws and ordinances applicable to the premises
and their occupancy thereof, and all insurance regulations and orders with

1 regard to property and material stored or kept on said premises during said
2 term.

3 10. BREACH: It is understood and agreed that time is of the essence of
4 this lease in all particulars, and if Lessees shall fail to keep the terms and
5 conditions of this lease, Lessors, after having given Lessees reasonable notice
6 to remedy such breach, if they so elect, may re-enter said premises and remove
7 all persons and property therefrom, and that, in the event Lessees are adjudi-
8 cated bankrupts or make a common law assignment for the benefit of creditors,
9 or if a levy is made or attempted to be made under a writ or attachment or
10 execution, on the interest of the Lessees in this lease, then, in any such
11 event, the Lessors may, at their option, cancel and terminate this lease, but
12 shall be under no obligation so to do.

13 11. INSURANCE: During the term of this lease lessees shall maintain in
14 force a policy of insurance insuring lessors and lessees against liability for
15 damages, with limits of coverage not less than \$5000.00 for property damage
16 loss for any one occurrence and not less than \$300,000.00 for personal injur-
17 ies from any one occurrence, and not less than \$100,000.00 for injury to any
18 one person from any one occurrence.

19 12. ADDITIONAL COVENANTS: Lessors covenant and agree that during the term
20 of this lease, or any renewals or extensions thereof, they will not lease space
21 in the building in which the premises are situated to any person desiring such
22 space to enter into any business which may be in competition with the business
23 of lessees. Lessors further expressly covenant that any sale of the building
24 containing the demised premises during the term of this lease, or any renewal
25 or extension thereof, will be made subject to this lease.

26 13. ASSIGNMENT: This lease shall not be assigned by Lessees without the
27 written consent of Lessors; Lessees, however, reserve the right to sublet any
28 department of their business without lessors' consent, including any sub-leases
29 to professional men such as optometrists or opticians.

30 14. HOLDING OVER: In case Lessees shall hold over the term of this lease
31 without the consent of Lessors, express or implied, such holding over shall be
32 construed to be a tenancy from month to month, which tenancy will be subject to

all the provisions and stipulations of this lease, and Lessees will pay the rents as above stated for such further time as Lessees shall hold the premises.

15. WAIVER OF SUBROGATION: The parties shall obtain from their insurance carriers waivers of subrogation against the other party, agents, employees and, as to Lessees, invitees. Neither party shall be liable to the other for any loss or damage caused by fire or any of the risks enumerated in a standard fire insurance policy with an extended coverage endorsement if such insurance was obtainable at the time of such loss or damage.

16. QUIET ENJOYMENT: Lessors covenant that Lessees shall, during the term of this lease, have the quiet enjoyment of the leased premises so long as Lessees are not in breach of this lease.

17. BENEFITS: This lease and every provision, covenant and condition hereof, shall be binding upon and inure to the benefit of the legal representatives, successors and assigns of the parties hereto, except that no person, association or corporation holding by or through Lessees in violation of any provision, covenant or condition hereof, shall have any right or interest whatsoever in or to this lease or the premises hereby leased.

18. NOTICES: Until otherwise designated by the parties, all rental payments and notices to lessors shall be sent to lessors at P.O. Box 908, Klamath Falls, Oregon, and all notices to lessees shall be sent to Lessees at 641 Main Street, Klamath Falls, Oregon.

19. HEADINGS: The underlined headings of each paragraph or subparagraph are for convenience and reference only, and the words contained therein shall, in no event, be held to explain, amplify or aid in the construction of any provisions of this lease.

IN WITNESS WHEREOF, The parties have hereunto set their hands this ____ day of October, 1970.

W.V. Meade
W.V. Meade

Lois Hout Holley
Lois Hout Holley

Glen W. Hout
Glen W. Hout

and Lois Hout Holley
Lois Hout Holley

As Trustees under Will of Vera L. Hout
Arthur A. Rickbeil
Arthur A. Rickbeil

Annie Helen Rickbeil
Annie Helen Rickbeil

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State of OREGON: COUNTY OF KLAMATH: ss.
I hereby certify that the within instrument was received and filed for record on the

1st day of December A.D., 1971 at 3:05 o'clock P.M., and duly recorded in

Vol. 18 of DEEDS on page 20568.

EVELYN BIEHN
COUNTY CLERK

Fee \$ 24.00

By Joyce M. Dune deputy