

21017

TRUST DEED

Vol. 83 Page 3271

THIS TRUST DEED, made this 25 day of February, 1983, between
ADAIR PROPERTIES, INC., who acquired title as ADAIR ENTERPRISES,
INC., an Oregon corporation,
 as Grantor, TRANSAMERICA TITLE INSURANCE COMPANY,
INDUSTRIAL LEASING CORPORATION
 as Beneficiary,

WITNESSETH:

Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property
 in Klamath County, Oregon, described as:

See Exhibit 1 attached hereto.

together with all and singular the tenements, hereditaments and appurtenances and all other rights thereunto belonging or in anywise
 now or hereafter appertaining, and the rents, issues and profits thereof and all fixtures now or hereafter attached to or used in connec-
 tion with said real estate.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the
 sum of \$463,728.80 and \$86,070.60 (under Lease agreements attached)

Dollars, with interest thereon according to the terms of the promissory
note of even date herewith, payable to beneficiary or order and made by grantor, the final payment of principal and interest hereof, if
not sooner paid, to be due and payable

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said note
 becomes due and payable. In the event the within described property, or any part thereof, or any interest therein is sold, agreed to be
 sold, conveyed, assigned or alienated by the grantor without first having obtained the written consent or approval of the beneficiary,
 then, at the beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or
 herein, shall become immediately due and payable.

The above described real property is not currently used for agricultural, timber or grazing purposes.

To protect the security of this trust deed, grantor agrees:

1. To protect, preserve and maintain said property in good condition
 and repair; not to remove or demolish any building or improvement thereon;
 not to commit or permit any waste of said property.

2. To complete or restore promptly and in good and workmanlike
 manner any building or improvement which may be constructed, damaged or
 destroyed thereon, and pay when due all costs incurred therefor.

3. To comply with all laws, ordinances, regulations, covenants, condi-
 tions and restrictions affecting said property; if the beneficiary so requests, to
 join in executing such financing statements pursuant to the Uniform Commercial
 Code as the beneficiary may require and to pay for filing same in the
 proper public office or offices, as well as the cost of all lien searches made
 by filing officers or searching agencies as may be deemed desirable by the
 beneficiary.

4. To provide and continuously maintain insurance on the buildings
 now or hereafter erected on the said premises against loss or damage by fire
 and such other hazards as the beneficiary may from time to time require, in
 an amount not less than \$500,000.00

in companies acceptable to the beneficiary, with loss payable to the latter; all
 policies of insurance shall be delivered to the beneficiary as soon as insured;
 if the grantor shall fail for any reason to procure any such insurance and to
 deliver said policies to the beneficiary at least fifteen days prior to the expiration
 of any policy of insurance now or hereafter placed on said buildings,
 the beneficiary may procure the same at grantor's expense. The amount
 collected under any fire or other insurance policy may be applied by beneficiary
 upon any indebtedness secured hereby and in such order as beneficiary
 may determine, or at option of beneficiary the entire amount so collected, or
 any part thereof, may be released to grantor. Such application or release shall
 not cure or waive any default or notice of default hereunder or invalidate any
 act done pursuant to such notice.

5. To keep said premises free from construction liens and to pay all
 taxes, assessments and other charges that may be levied or assessed upon or
 against said property before any part of such taxes, assessments and other
 charges become past due or delinquent and promptly deliver receipts therefor
 to beneficiary; should the grantor fail to make payment of any taxes, assess-
 ments, insurance premiums, liens or other charges payable by grantor, either
 by direct payment or by providing beneficiary with funds with which to
 make such payment, beneficiary may, at its option, make payment thereof,
 and the amount so paid, with interest at the rate set forth in the note secured
 hereby, together with the obligations described in paragraphs 6 and 7 of this
 trust deed, shall be added to and become a part of the debt secured by this
 trust deed, without waiver of any rights arising from breach of any of the
 covenants hereof and for such payments, with interest as aforesaid, the prop-
 erty herebefore described, as well as the grantor, shall be bound to the same
 same extent that they are bound to the payment of the obligation herein
 described, and all such payments shall be immediately due and payable with-
 out notice, and the nonpayment thereof shall, at the option of the beneficiary,
 render all sums secured by this trust deed immediately due and payable and
 constitute a breach of this trust deed.

6. To pay all costs, fees and expenses of this trust including the cost
 of title search as well as the other costs and expenses of the trustee incurred
 in connection with or in enforcing this obligation and trustee's and attorney's
 fees actually incurred.

7. To appear in and defend any action or proceeding purporting to
 affect the security rights or powers of beneficiary or trustee; and in any suit,
 action or proceeding in which the beneficiary or trustee may appear, including
 any suit for the foreclosure of this deed, to pay all costs and expenses, in-
 cluding evidence of title and the beneficiary's or trustee's attorney's fees; the
 amount of attorney's fees mentioned in this paragraph 7 in all cases shall be
 fixed by the trial court and in the event of an appeal from any judgment or
 decree of the trial court, grantor further agrees to pay such sum as the ap-
 pellate court shall judge reasonable as the beneficiary's or trustee's attor-
 ney's fees on such appeal.

It is mutually agreed that:

8. In the event that any portion or all of said property shall be taken
 under the right of eminent domain or condemnation, beneficiary shall have the
 right, if it so elects, to require that all or any portion of the monies payable
 as compensation for such taking, which are in excess of the amount required
 to pay all reasonable costs, expenses and attorney's fees necessarily paid or
 incurred by grantor in such proceedings, shall be paid to beneficiary and
 applied by it first upon any reasonable costs and expenses and attorney's fees,
 both in the trial and appellate courts, necessarily paid or incurred by ben-
 eficiary in such proceedings, and the balance applied upon the indebtedness
 secured hereby; and grantor agrees, at its own expense, to take such actions
 and execute such instruments as shall be necessary in obtaining such com-
 pensation, promptly upon beneficiary's request.

9. At any time and from time to time upon written request of ben-
 eficiary, payment of its fees and presentation of this deed and the note for
 endorsement (in case of full reconveyance, for cancellation), without affecting
 the liability of any person for the payment of the indebtedness, trustee may

(a) consent to the making of any map or plat of said property; (b) join in
 granting any easement or creating any restriction thereon; (c) join in any
 subordination or other agreement affecting this deed or the lien or charge
 thereon; (d) reconvey, without warranty, all or any part of the property. The
 grantee in any reconveyance may be described as the "person or persons
 legally entitled thereto," and the recitals therein of any matters or facts shall
 be conclusive proof of the truthfulness thereof. Trustee's fees for any of the
 services mentioned in this paragraph shall be not less than \$5.

10. Upon any default by grantor hereunder, beneficiary may at any
 time without notice, either in person, by agent or by a receiver to be ap-
 pointed by a court, and without regard to the adequacy of any security for
 property or any part thereof, enter upon and take possession of said prop-
 erty in equity as a mortgagee or direct the trustee to foreclose this trust deed
 in equity as a mortgagee or direct the trustee to foreclose this trust deed
 issues and profits, including those past due and unpaid, and apply the same,
 less costs and expenses of operation and collection, including reasonable attor-
 ney's fees upon any indebtedness secured hereby, and in such order as ben-
 eficiary may determine.

11. The entering upon and taking possession of said property, the
 collection of such rents, issues and profits, or the proceeds of the sale of the
 insurance policies or compensation or awards for any taking or damage to the
 property, and the application or release thereof as aforesaid, shall not cure or
 waive any default or notice of default hereunder or invalidate any act done
 pursuant to such notice.

12. Upon default by grantor in payment of any indebtedness secured
 hereby or in his performance of any agreement hereunder, the beneficiary may
 declare all sums secured hereby immediately due and payable. In such an
 event the beneficiary at his election may proceed to foreclose this trust deed
 by advertisement and sale. In the latter event the beneficiary or the trustee shall
 execute and cause to be recorded his written notice of default and his election
 to sell the said described real property to satisfy the obligations secured
 hereby, whereupon the trustee shall fix the time and place of sale, give notice
 thereof as then required by law and proceed to foreclose this trust deed in
 the manner provided in ORS 86.740 to 86.795.

13. Should the beneficiary elect to foreclose by advertisement and sale
 then after default at any time prior to five days before the date set by the
 trustee for the trustee's sale, the grantor or other person so authorized by
 ORS 86.760, may pay to the beneficiary or his successors in interest, volun-
 tarily, the entire amount then due under the terms of the trust deed and the
 obligations secured thereby (including costs and expenses actually incurred in
 enforcing the terms of the obligation and trustee's and attorney's fees not ex-
 ceeding the amounts provided by law) other than such portion of the prin-
 cipal as would not then be due had no default occurred, and thereby cure
 the default, in which event all foreclosure proceedings shall be dismissed by
 the trustee.

14. Otherwise, the sale shall be held on the date and at the time and
 place designated in the notice of sale or the time to which said sale may
 be postponed as provided by law. The trustee may sell said property either
 in one parcel or in separate parcels and shall sell the parcel or parcels at
 auction to the highest bidder for cash, payable at the time of sale. Trustee
 shall deliver to the purchaser its deed in form as required by law conveying
 the property so sold, but without any covenant or warranty, express or im-
 plied. The recitals in the deed of any matters of fact shall be conclusive proof
 of the truthfulness thereof. Any person, excluding the trustee, but including
 the grantor and beneficiary, may purchase at the sale.

15. When trustee sells pursuant to the powers provided herein, trustee
 shall apply the proceeds of sale to payment of (1) the expenses of sale, in-
 cluding the compensation of the trustee and a reasonable charge by trustee's
 attorney, (2) to the obligation secured by the trust deed, (3) to all persons
 having recorded liens subsequent to the interest of the trustee in the trust
 deed as their interests may appear in the order of their priority and (4) the
 surplus, if any, to the grantor or to his successor in interest entitled to such
 surplus.

16. For any reason permitted by law beneficiary may from time to
 time appoint a successor or successors to any trustee named herein or to any
 successor trustee appointed hereunder. Upon such appointment, and without
 conveyance to the successor trustee, the latter shall be vested with all title,
 powers and duties conferred upon any trustee herein named or appointed
 hereunder. Each such appointment and substitution shall be made by written
 instrument executed by beneficiary, containing reference to this trust deed
 and its place of record, which, when recorded in the office of the County
 Clerk or Recorder of the county or counties in which the property is situated,
 shall be conclusive proof of proper appointment of the successor trustee.

17. Trustee accepts this trust when this deed duly executed and
 acknowledged is made a public record as provided by law. Trustee is not
 obligated to notify any party hereto of pending sale under any other deed of
 trust or of any action or proceeding in which grantor, beneficiary or trustee
 shall be a party unless such action or proceeding is brought by trustee.

NOTE: The Trust Deed Act provides that the trustee hereunder must be either an attorney, who is an active member of the Oregon State Bar, a bank, trust company
 or savings and loan association authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to insure title to real
 property of this state, its subsidiaries, affiliates, agents or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 696.505 to 696.585.

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The grantor covenants and agrees to and with the beneficiary and those claiming under him, that he is lawfully seized in fee simple of said described real property and has a valid, unencumbered title thereto and that all previously existing encumbrances have been satisfied previous to execution of this trust deed down to a maximum of \$10,000.00 and that he will warrant and forever defend the same against all persons whomsoever. This trust deed does not supersede the one recorded June 16, 1982 in Volume M 82, Page 7662 of Klamath County, Oregon, Mortgage Records but merely corrects any errors therein.

The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are:
(a) ~~primarily for grantor's personal, family, household or agricultural purposes (see Important Notice below);~~
(b) for an organization, or (even if grantor is a natural person) are for business or commercial purposes other than agricultural purposes.

This deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgee, of the contract secured hereby, whether or not named as a beneficiary herein. In construing this deed and whenever the context so requires, the masculine gender includes the feminine and the neuter, and the singular number includes the plural.

IN WITNESS WHEREOF, said grantor has hereunto set his hand the day and year first above written.

* IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable and the beneficiary is a creditor as such word is defined in the Truth-in-Lending Act and Regulation Z, the beneficiary MUST comply with the Act and Regulation by making required disclosures; for this purpose, if this instrument is to be a FIRST lien to finance the purchase of a dwelling, use Stevens-Ness Form No. 1305 or equivalent; If this instrument is NOT to be a first lien, or is not to finance the purchase of a dwelling use Stevens-Ness Form No. 1306, or equivalent. If compliance with the Act is not required, disregard this notice.

(If the signer of the above is a corporation, use the form of acknowledgment opposite.)

STATE OF OREGON,)
County of) ss.
19
Personally appeared the above named

and acknowledged the foregoing instrument to be voluntary act and deed.

Before me:
Notary Public for Oregon
My commission expires:

(OFFICIAL SEAL)

STATE OF OREGON, County of Multnomah) ss.
February 25, 1983
Personally appeared James R. Adair who being

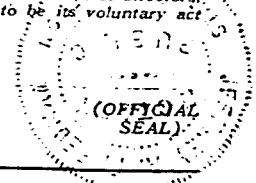
duly sworn, did say that the before is the president and that the latter is the

ADAIR PROPERTIES, INC. aka ADAIR ENTERPRISES, INC.

a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that the instrument was signed and sealed in behalf of said corporation by authority of its Board of directors, and each of them acknowledged said instrument to be its voluntary act and deed.

Before me:
Notary Public for Oregon

My commission expires: 1/24/85



REQUEST FOR FULL RECONVEYANCE
To be used only when obligations have been paid.

TO: , Trustee

The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by said trust deed have been fully paid and satisfied. You hereby are directed, on payment to you of any sums owing to you under the terms of said trust deed or pursuant to statute, to cancel all evidences of indebtedness secured by said trust deed (which are delivered to you herewith together with said trust deed) and to reconvey, without warranty, to the parties designated by the terms of said trust deed the estate now held by you under the same. Mail reconveyance and documents to

DATED: , 19

Beneficiary

Do not lose or destroy this Trust Deed OR THE NOTE which it secures. Both must be delivered to the trustee for cancellation before reconveyance will be made.

TRUST DEED

(FORM No. 881)

STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

ADAIR PROPERTIES, INC.

Grantor

INDUSTRIAL LEASING CORPORATION

Beneficiary

AFTER RECORDING RETURN TO
Charles R. Markley
1200 Standard Plaza
1100 S. W. Sixth Avenue
Portland, Oregon 97204

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON,) ss.
County of

I certify that the within instrument was received for record on the day of 19, at o'clock M., and recorded in book/reel/volume No. on page or as fee/file/instrument/microfilm/reception No. Record of Mortgages of said County.

Witness my hand and seal of County affixed.

NAME TITLE
By Deputy

DESCRIPTIONPARCEL 1

A parcel of land in Block 242, MILLS SECOND ADDITION TO THE CITY OF KLAMATH FALLS, the said parcel being more particularly described as follows:

Beginning at the intersect point of the Easterly line of said property and the Southerly right of way line of the relocated Klamath Falls-Lakeview Highway, which is 40 feet distant Southerly from (when measured at right angles to) the centerline of the said relocated highway; said point also being North 55° 50' 30" West 201.20 feet from the intersection of the Southerly right of way line of said Highway and the Northerly right of way line of Shasta Way; thence North 55° 50' 30" West along said relocated right of way line 94.53 feet more or less to the East line of Lot 2, Block 2 of the Re-subdivision of Block 242, Mills Second Addition; thence South 0° 19' 30" East along said East line of said Subdivision 167.14 feet more or less to the Northerly line of Shasta Way; thence North 89° 40' 30" East 30.51 feet along said Northerly line of Shasta Way to an iron pin; thence North 22° 19' 30" East 123.12 feet more or less to the point of beginning, in the County of Klamath, State of Oregon.

PARCEL 2

The Westerly 80.42 feet of Lots 4 and 5 and the Westerly 80.42 feet of the South 20 feet of Lot 3 in Block 2 of Resubdivision of Block 242 of MILLS SECOND ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.

AND ALSO Lot 1 in Block 2; also the following described portion of Lots 2 and 3 in Block 2: Beginning at a point on the West line of said Lot 3, which point is North 0° 05' East a distance of 20 feet from the Southwest corner of said Lot; running thence East along the North line of the S½ of said Lot 3, a distance of 80.42 feet, more or less, to a point 27.58 feet West of the East line of said Lot 3; thence North 98.24 feet, more or less, to a point on the Southwesterly side of South 6th Street; thence North 55° 15' West along the Southwesterly side of South 6th Street, a distance of 48.89 feet, more or less, to the Northwest corner of said Lot 2; thence South along the West line of Lot 2, 106.1 feet, to the Southwest corner of Lot 2; thence West along the line between Lots 1 and 3, 40 feet to the Southwest corner of Lot 1; thence South along the East line of Martin Street 20 feet to the point of beginning.

All lying in Block 242 of Mills Second Addition to the City of Klamath Falls, Oregon, according to the Supplemental Plat of the Westerly portion of Block 242 Mills Second Addition to the City of Klamath Falls, Oregon.

EXCEPTING AND RESERVING from the above described property that portion thereof conveyed by Frank Ferrari, et ux., to the State of Oregon by Deed recorded in Volume 148 at page 201, Records of Klamath County, Oregon.

LEASE OF PERSONAL PROPERTY



Industrial Leasing Corporation

2300 S.W. Sixth Avenue / Portland, Oregon 97201 / (503) 228-2111

3274

I.L.C. No. 008100

THIS LEASE, Made at Portland, Oregon, this 24 day of MAY, 1982, by and between INDUSTRIAL LEASING CORPORATION, an Oregon corporation, hereinafter called the Lessor, and ADAIR PROPERTIES, INC.

hereinafter called the Lessee,

WITNESSETH:

That for and in consideration of the agreement of the lessee to pay the rental hereinafter provided for, and to perform the terms, covenants, conditions and agreements on the lessee's part herein contained, the lessor does let and lease to the lessee, and the lessee hereby hires and takes from the lessor the personal property described in the exhibit hereto attached and made a part hereof as though fully set forth herein.

This lease is made upon the following terms and conditions:

1. The term of this lease shall be for the period designated in the exhibit.
2. The rental for the personal property described in the exhibit shall be payable in advance in the amounts and at the time set forth in said exhibit at the office of the lessor.
3. Lessee agrees that the lessee will not assign this lease or any interest herein, or mortgage or hypothecate this lease or any interest herein, or sublet said personal property, or make any alterations or additions or improvements to said personal property, or permit the use thereof by any person other than the lessee or the lessee's employees, without the written consent of the lessor having been first had and obtained. Consent to any of the foregoing inhibited acts shall apply only in the given instance, and a further like act by the lessee or by the lessee's assignee or sub-lessee shall require a further written consent.
4. Lessee agrees not to permit any transfer by operation of law of this lease or of lessee's interest herein, and any such transfer shall terminate this lease forthwith, and it is hereby mutually agreed, covenanted and understood by and between the parties hereto that in the event any proceedings under the bankruptcy act or any amendment thereto be commenced by or against the lessee, or in the event lessee be adjudged insolvent, or makes any assignment for the benefit of the lessee's creditors, or if a writ of attachment or execution be levied on said personal property, and be not released or satisfied within five days thereafter, or if a Receiver be appointed in any proceeding or action to which the lessee is a party, with authority to take possession or control of said personal property, this lease at the option of the lessor shall immediately end and terminate and shall in no wise be treated as an asset of the lessee after the exercise of the aforesaid option.
5. Lessee shall cause said personal property to be operated and maintained by competent employees and shall pay all expenses of operating and maintaining said personal property.
6. The lessee shall comply with and conform with all the laws, ordinances, regulations, present or future, in anywise relating to the ownership, possession, use or maintenance of said personal property throughout the term of this lease and to the complete exoneration from liability of the lessor.
7. Lessee shall keep said personal property free of levies, liens and incumbrances, pay all licenses, fees, registration fees, assessments, charges and taxes (municipal, county, state and federal) which may now or hereafter be imposed upon the ownership, leasing, renting, possession or use of said personal property.
8. Lessee agrees to hold and save the lessor harmless from any and all claims, costs, expenses, damages and liabilities, including reasonable attorney's fees, resulting from or pertaining to the use or operation of said personal property during the term of this lease or any extension or renewal thereof.
9. Lessee agrees that he has fully inspected said personal property and that there are no defects therein. That said personal property is in good condition and repair, and lessee further agrees at lessee's own expense to keep said personal property in good condition and repair during the term of this lease or any extension or renewal thereof.
10. Lessee shall, whenever requested by the lessor, advise the lessor of the exact condition of said personal property, and shall give the lessor immediate notice of any attachment or any judicial process affecting said personal property. The lessor, in behalf of its agents, servants and employees, reserves and shall at any and all times during the business hours, have the right to enter in and upon the premises where such personal property may be located, for the purpose of inspecting the same.
11. Lessee agrees upon expiration of the term of this lease to return said personal property to the lessor in the same condition in which it was received by the lessee, ordinary wear and tear excepted. At the option of the lessor, lessee shall either return said personal property to the lessor, in the same city in which said personal property was delivered to lessee, or lessee shall load said personal property at the lessee's own cost and expense on board such carrier as the lessor shall specify, and ship the same, freight prepaid, to the destination designated by the lessor. If, however, said personal property be lost, stolen, destroyed or damaged beyond repair during the term of this lease, lessee shall pay lessor therefor the "agreed loss value" provided for in said exhibit.
12. All additions or improvements of whatever kind or nature made by lessee to said personal property shall belong to and become part thereof, and the property of the lessor upon expiration of the term of this lease or the sooner termination thereof.
13. Said personal property shall not be removed from 6803 S. E. BELL STREET, PORTLAND, CLACKAMAS COUNTY, OREGON without the written consent of the lessor having been first had and obtained.
14. Lessee agrees during the full term of this lease to keep said personal property insured against all risk of physical loss or damage from any cause whatsoever, for not less than the full replacement value thereof, and to carry adequate public liability and property damage insurance covering said personal property, in the joint names of the lessor and lessee, and to pay the premiums therefor, and to deliver said policies or duplicates thereof, unto the lessor. Each insurer shall agree by endorsement on the policy or ten days' written notice before the policy or policies in question shall be altered or cancelled. The proceeds of such insurance, whether resulting from loss or damage or otherwise, shall be applied towards the replacement or repair of said personal property or the payment of the obligation of the lessee hereunder at the option of the lessor. Lessee hereby appoints lessor as lessee's attorney-in-fact to make claim for, receive payment of, execute and endorse all documents, checks or drafts for loss or damage under any insurance policy issued on said personal property.

15. In case of failure of the lessee to procure or maintain said insurance or pay said fees, assessments, charges and taxes as hereinabove specified, the lessor may effect such insurance or pay such fees, assessments, charges and taxes as the case may be, in which event the cost thereof shall be repayable to the lessor with the next installment of rental, and failure to pay the same shall carry with it the same consequences as failure to pay any installment of rental.
16. Lessee agrees that said personal property is of the size, design and capacity selected by the lessee and that the lessee is satisfied that the same is suitable for lessee's purpose and that the lessor has made no representation or warranties, expressed or implied, with respect thereto.
17. As security for the prompt and full payment of the rental of this lease reserved and the faithful performance by the lessee of all other covenants and conditions in this lease contained on the lessee's part to be performed, lessee has upon the execution of this lease deposited with the lessor the amount indicated in said exhibit. In the event any default shall be made in the performance of any of the covenants on the part of the lessee herein contained, the lessor shall have the right, but shall not be obligated, to apply said security to the curing of such default; and the lessee agrees upon demand to restore said security to the full amount set forth in said exhibit in the event any part thereof is utilized to cure any such default. Upon the expiration of the term of this lease, provided the lessee has paid all the rental herein called for and fully performed all of the other covenants and conditions on the lessee's part agreed to be performed, the lessor will return to the lessee said security, less any portion thereof which may have been utilized by the lessor to cure any default as hereinbefore provided and not repaid by the lessee to the lessor.
18. Lessee agrees that should the lessee fail to pay any part of the rentals herein reserved, or any other sum required by lessee to be paid to the lessor within ten days after the due date thereof, or if default shall be made in any of the other covenants or conditions on the lessee's part herein contained, the lessor shall have the right to take possession of said personal property, without demand or notice, wherever said personal property may be located (damages occasioned by such taking of possession are hereby expressly waived by the lessee), and (1) sell said personal property or any portion thereof, and after deducting all cost and expenses in connection therewith, together with an amount equal to ten per cent. (10%) of the actual cost to the lessor of the equipment sold, to credit the net proceeds of such sale to the payment of the obligation of the lessee hereunder, or (2) to lease said personal property or any portion thereof for such period, rental and to such persons as the lessor shall elect, and, after deducting all costs and expenses incurred in connection therewith to apply any rent received therefrom to the payment of the obligations of the lessee hereunder.
19. Lessee agrees to forthwith pay unto lessor upon written demand any and all expense, including reasonable attorney's fees, incurred by the lessor in exercising or enforcing any of its rights hereunder. If the lessor is required to commence any legal action to recover against the Lessee under this agreement, the Lessee agrees to pay such sum as the Court may adjudge reasonable as attorney's fees, together with such sum as may be allowed as attorney's fees by an appellate court.
20. Should lessee fail to pay any part of the rental herein reserved, or any other sum required by the lessee to be paid to the lessor within ten (10) days after due date thereof, lessee shall pay to lessor a service charge of five per cent (5%) of each installment or part thereof for which said rent or other amount shall be delinquent, or \$2.50, whichever is greater, plus interest on such delinquent rent or other amount from the due date thereof until paid at the maximum rate allowed by law.
21. All remedies hereinbefore and hereafter conferred upon the lessor shall be deemed cumulative, and no one exclusive of the other, or of any other remedy conferred by law.
22. No covenant or condition of this lease shall be waived except by the written consent of the lessor, and the forbearance or indulgence by lessor in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by the lessee to which the same may apply, and until complete performance by the lessee of said covenant or condition, the lessor shall be entitled to invoke any remedy available to the lessor under this lease or by law, despite said forbearance or indulgence.
23. Should the lessor assign said sums due or to become due hereunder to any bank, insurance company, individual, firm or corporation, or other lending agency (of which assignment lessee hereby waives notice), lessee agrees to recognize such assignment. If required by such assignee or by lessor, lessee agrees promptly on demand to execute and deliver a financing statement with respect to this lease and said personal property.
24. If it is construed that withholding taxes or workmen's compensation fees or taxes in the event of the failure to pay the same shall constitute a lien upon the personal property included within the terms of this lease, then in that event the lessee agrees to promptly pay the same before the same become delinquent and upon demand of the lessor to furnish evidence of payment by lessee of said taxes and fees.
25. It is expressly understood and agreed that this is only a lease and nothing herein contained shall be construed as conveying to the lessee any right, title or interest in and to said personal property, other than as lessee.
26. Time is of the essence of this lease and each and all of its provisions.
27. This lease shall inure to the benefit of and be binding upon the successors and assigns of the respective parties hereto and the heirs, executors and administrators of the lessee, if an individual, always provided that nothing in this paragraph shall impair any provision hereinbefore set forth inhibiting assignment without written consent of the lessor.
28. It is specifically understood and agreed by and between lessor and lessee that if the personal property herein described shall be attached to real property, the mere attachment of said personal property to said real property shall not be construed as changing the status of said personal property, and if said personal property is attached to real property which does not belong to lessee, the lessee agrees to secure the consent of the owner of said real property to the attachment of said personal property, and that said consent be in writing, and provide that upon the termination of this lease for any reason, said personal property may be removed. A copy of said consent shall be furnished to lessor prior to such attachment.
29. Any court of competent jurisdiction in MULTNOMAH County, OREGON, shall be proper venue for any and all suits brought for any and every breach of this lease.

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

ADAIR PROPERTIES, INC.

Lessee

By James R. Adair (Pres)
JAMES R. ADAIR, President

By Diana M. Adair (Sec)

By _____

By _____

INDUSTRIAL LEASING CORPORATION

Lessor

By _____ President

By Robert J. Wiener, Asst. Sec. Secretary

RJW: pb

This lease subject to a security interest in

**PERSONAL PROPERTY
LEASE EXHIBIT**



3276

Exhibit No. B-5

I.L.C. No. 008100

Industrial Leasing Corporation

2300 S.W. Sixth Avenue • Portland, Oregon 97201 • 503/228-2111

1. PERSONAL PROPERTY LEASED:

Description of Personal Property:

FOR MANUFACTURING EQUIPMENT COVERED BY THIS LEASE AGREEMENT PLEASE SEE
EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF AS THOUGH
MORE FULLY SET FORTH HEREIN.

2. DESCRIPTION OF LOCATION WHERE PERSONAL PROPERTY WILL BE INSTALLED:
ON THE PREMISES OF THE LESSEE: 6803 S. E. BELL STREET, PORTLAND, CLACKAMAS COUNTY,
OREGON

3. All rentals are payable at office of lessor, 2300 S. W. Sixth Avenue, Portland, Oregon 97201.

4. DATE OF DELIVERY: 7/1/83

5. PLACE OF DELIVERY: PORTLAND, OREGON

6. TERM OF LEASE: 60

months from date of delivery.

7. AMOUNT OF RENTAL \$ 7,728.78

on the date of delivery.

per month, payable in advance commencing

8. DEPOSIT: \$ 7,728.78

9. AGREED LOSS VALUE: Amount to be paid subject to Paragraph 11 of said lease for each unit lost,
stolen, destroyed or damaged beyond repair during each year of the lease term:

1st Yr. \$ 277,017

2nd Yr. \$ 260,923

3rd Yr. \$ 227,902

4th Yr. \$ 178,039

5th Yr. \$ 111,306

6th Yr. \$ 27,702

7th Yr. \$ 27,702

Thereafter \$ 27,702

10. OTHER CONDITIONS:

NONE

Approved and agreed to this 24 day of MAY, 19 82, as
exhibit to Personal Property Lease dated the 24 day of MAY,
19 82, by and between the parties hereto and made a part hereof.

ADAIR PROPERTIES, INC.
Lessee

INDUSTRIAL LEASING CORPORATION
Lessor

By James R. Adair (Pres)
JAMES R. ADAIR, President

By _____
President

By Diana M. Adair (Sec)

By Robert J. Wiener, Asst. Sec.
RJW:pb
Secretary

By _____

By _____
Form 455 Rev. 5-69

This lease is subject to a security interest in
favor of United States National Bank of Oregon as Trustee.

3277

EXHIBIT "A" TO INDUSTRIAL LEASING CORPORATION - ADAIR PROPERTIES, INC.,
LEASE OF PERSONAL PROPERTY, I.L.C. NO. 008100-CORRECTED - DESCRIPTION
OF LEASED EQUIPMENT

QUANTITY	MODEL	N/U	DESCRIPTION
10	52	N	CART-O-LOG MACHINES MODIFIED TO ACCEPT MODEL 10 INDEX SYSTEM, MACHINE SERIAL NUMBERS 524381, 524481, 524581, 524681, 524781, 524881, 524981, 525081, 525181, 525281.
1	AC8000V	N	ATECO 8,000 GALLON U.L. VERTICAL 10'x 14' BULK STORAGE TANK WITH 24" M.H.
1		N	PENINSULA IRON WORKS 30" CARDBOARD HOG SERIAL NO. 32035, BURROUGHS DESIGN, PENINSULA "0548" WITH 50 H.P. MOTOR SERIAL NO. R492004222M, MACHINE BASE, GUARDS AND IN FEED CONVEYOR
1	TR	N	HYTROL 16' x 18" WIDE BELT CONVEYOR WITH HANGER BRACKETS.
1	LS236	N	SOUTHWORTH LIFT TABLE
1		N	R. H. BROWN 60"x 72" BLUFF DOCK PLATE
1	TR	N	HYTROL 36' OVERALL LENGTH CONVEYOR, 16" BELT WIDTH COMPLETE WITH MOTOR DRIVE
1	138ACC	N	HYTROL 5' OVERALL LENGTH 18" WIDTH CONVEYOR, COMPLETE
1	EG35SPID	N	FARNES WEIL McLAIN 15 P.S.I.G. STEAM BOILER WITH EQUALIZING LOOP, HEATER, LOW WATER CUT-OFF, 150 LOW WATER CUT-OFF PUMP CONTROL, PRESSURETROL AND MANUAL RESET WITH 2 3/4" POWERS CONTROLS, 2 3/4" DUNHAM BUSH TRAPS, 30 GALLON CONDENSATE PUMP WITH 1/3 H.P. MOTOR AND WATER FEED VALVE
2	9601	N	SCAFCO HOPPER STORAGE BINS
2	211291	N	SCAFCO LADDER KITS
2	222024	N	SCAFCO ROLLER GATES
2	222013	N	SCAFCO BOOTS
2	F40158	N	HUTCHINSON 4"x 15' SCREW CONVEYORS COMPLETE WITH DRIVES, F4052A DROP SPOUTS AND HALF H.P. T.E.F.C. MOTOR DRIVES
1	SDN	N	BOSTIK ADHESIVE APPLICATOR SERIAL NO. 1145 WITH FOOT TREADLE AND GUARD
1	E184020	N	20' BUCKET ELEVATOR
1	E2115	N	10" DISTRIBUTING ADAPTOR
1	E7214A	N	POWER SWING AWAY 10" HOPPER
6	J3200B	N	U 12" TROUGHS
1	J3221B	N	INTERNAL BEARING ASSEMBLY
1	J3222D	N	12" RUSH DRIVE DRIVE UNIT
60 FT.	H1803A	N	8" STANDARD DUTY CUSTOM AUGER CONVEYOR
4	H1806A	N	CUSTOM INTERNAL BEARING ASSEMBLIES
2	H1801A	N	CUSTOM 8" TWO BELT DRIVE ASSEMBLIES

3278

EXHIBIT "A" TO INDUSTRIAL LEASING CORPORATION - ADAIR PROPERTIES, INC.,
 LEASE OF PERSONAL PROPERTY, I.L.C. NO. 008100-CORRECTED - DESCRIPTION
 OF LEASED EQUIPMENT

PAGE 2

QUANTITY	MODEL	N/U	DESCRIPTION
10	H1818A	N	8" ENCLOSED SLIDE GATES
2	H1807A	N	90 DEGREE 8" SPOUT DISCHARGES
2	H1836A	N	HOPPER TAIL PIECES
1	10N	N	CART-O-LOG MANUFACTURING COMPANY INDEX
10	101	N	SYSTEM SERIAL NO. 101821
			CART-O-LOG MANUFACTURING COMPANY LOG
2	5R	N	MACHINE SURGE FEED UNITS SERIAL NUMBERS
			10143 THROUGH 10152, INCLUSIVE
1	2200	N	CART-O-LOG MANUFACTURING COMPANY 5' DIAMETER
			LOG OUTFEED TURNTABLES WITH HALF H.P. MOTOR
			DRIVES SERIAL NUMBERS 5R821, 5R822
			CART-O-LOG MANUFACTURING COMPANY IGNITOR
			IMMERSION TANK SERIAL NO. 2200821
2	2200HA	N	3'x 6' WITH 1 H.P. DRIVE MOTOR AND
			8' CHAIN DRIVE
			CART-O-LOG MANUFACTURING COMPANY AIR BLAST
1	9HT65032N	N	HOODS 6" DIAMETER x 3' LENGTH, WITH ELECTRIC
1	9HT33107C	N	DRIVEN BLOWERS, BLOWER FANS MODEL 7C561
1	9HT1782N	N	SERIAL NUMBERS 2200HA821, 2200HA822
			CRAFTSMAN TOOL CHEST
			CRAFTSMAN TOOL CHEST
1	17631	N	CRAFTSMAN 16 GALLON VACCUM SERIAL NO. 1012AD167
			WITH EXTRA HOSE
2	GLB	N	SPEEDAIRE 1 H.P. AIR COMPRESSOR SERIAL
1	W12R	N	NO. 1105214-877395
1	3024	N	DRY CHEM FIRE EXTINGUISHERS, A-B-C
			MECO DOLLY DRUM MOVER
			DUTRO DRUM DOLLY

LEASE OF PERSONAL PROPERTY



3279

I.L.C. No. 008101

Industrial Leasing Corporation

2300 S.W. Sixth Avenue / Portland, Oregon 97201 / 523/226-2111

THIS LEASE, Made at Portland, Oregon, this 24 day of MAY, 1982, by and between INDUSTRIAL LEASING CORPORATION, an Oregon corporation, hereinafter called the Lessor, and ADAIR PROPERTIES, INC. hereinafter called the Lessee,

WITNESSETH:

That for and in consideration of the agreement of the lessee to pay the rental hereinafter provided for, and to perform the terms, covenants, conditions and agreements on the lessee's part herein contained, the lessor does let and lease to the lessee, and the lessee hereby hires and takes from the lessor the personal property described in the exhibit hereto attached and made a part hereof as though fully set forth herein.

This lease is made upon the following terms and conditions:

1. The term of this lease shall be for the period designated in the exhibit.
2. The rental for the personal property described in the exhibit shall be payable in advance in the amounts and at the time set forth in said exhibit at the office of the lessor.
3. Lessee agrees that the lessee will not assign this lease or any interest herein, or mortgage or hypothecate this lease or any interest herein, or sublet said personal property, or make any alterations or additions or improvements to said personal property, or permit the use thereof by any person other than the lessee or the lessee's employees, without the written consent of the lessor having been first had and obtained. Consent to any of the foregoing prohibited acts shall apply only in the given instance, and a further like act by the lessee or by the lessee's assignee or sub-lessee shall require a further written consent.
4. Lessee agrees not to permit any transfer by operation of law of this lease or of lessee's interest herein, and any such transfer shall terminate this lease forthwith, and it is hereby mutually agreed, covenanted and understood by and between the parties hereto that in the event any proceedings under the bankruptcy act or any amendment thereto be commenced by or against the lessee, or in the event lessee be adjudged insolvent, or makes any assignment for the benefit of the lessee's creditors, or if a writ of attachment or execution be levied on said personal property, and be not released or satisfied within five days thereafter, or if a Receiver be appointed in any proceeding or action to which the lessee is a party, with shall immediately end and terminate and shall in nowise be treated as an asset of the lessee after the exercise of the aforesaid option.
5. Lessee shall cause said personal property to be operated and maintained by competent employees and shall pay all expenses of operating and maintaining said personal property.
6. The lessee shall comply with and conform with all the laws, ordinances, regulations, present or future, in anywise relating to the ownership, possession, use or maintenance of said personal property throughout the term of this lease and to the complete exoneration from liability of the lessor.
7. Lessee shall keep said personal property free of levies, liens and incumbrances, pay all licenses, fees, registration fees, assessments, charges and taxes (municipal, county, state and federal) which may now or hereafter be imposed upon the ownership, leasing, renting, possession or use of said personal property.
8. Lessee agrees to hold and save the lessor harmless from any and all claims, costs, expenses, damages and liabilities, including reasonable attorney's fees, resulting from or pertaining to the use or operation of said personal property during the term of this lease or any extension or renewal thereof.
9. Lessee agrees that he has fully inspected said personal property and that there are no defects therein. That said personal property is in good condition and repair, and lessee further agrees at lessee's own expense to keep said personal property in good condition and repair during the term of this lease or any extension or renewal thereof.
10. Lessee shall, whenever requested by the lessor, advise the lessor of the exact condition of said personal property, and shall give the lessor immediate notice of any attachment or any judicial process affecting said personal property. The lessor, in behalf of its agents, servants and employees, reserves and shall at any and all times during the business hours, have the right to enter in and upon the premises where such personal property may be located, for the purpose of inspecting the same.
11. Lessee agrees upon expiration of the term of this lease to return said personal property to the lessor in the same condition in which it was received by the lessee, ordinary wear and tear excepted. At the option of the lessor, lessee shall either return said personal property to the lessor, in the same city in which said personal property was delivered to lessee, or lessee shall load said personal property at the lessee's own cost and expense on board such carrier as the lessor shall specify, and ship the same, freight prepaid, to the destination designated by the lessor. If, however, said personal property be lost, stolen, destroyed or damaged beyond repair during the term of this lease, lessee shall pay lessor therefor the "agreed loss value" provided for in said exhibit.
12. All additions or improvements of whatever kind or nature made by lessee to said personal property shall belong to and become part thereof, and the property of the lessor upon expiration of the term of this lease or the sooner termination thereof.
13. Said personal property shall not be removed from 6803 S. E. BELL STREET, PORTLAND, CLATSOP COUNTY, OREGON without the written consent of the lessor having been first had and obtained.
14. Lessee agrees during the full term of this lease to keep said personal property insured against all risk of physical loss or damage from any cause whatsoever, for not less than the full replacement value thereof, and to carry adequate public liability and property damage insurance covering said personal property, in the joint names of the lessor and lessee, and to pay the premiums therefor, and to deliver said policies or duplicates thereof, unto the lessor. Each insurer shall agree by endorsement on the policy or policies issued by it, or by its independent instrument furnished to the lessor, that it will give the lessor ten days' written notice before the policy or policies in question shall be altered or cancelled. The proceeds of such insurance, whether resulting from loss or damage or otherwise, shall be applied towards the replacement or repair of said personal property or the payment of the obligation of the lessee hereunder at the option of the lessor. Lessee hereby appoints lessor as lessee's attorney-in-fact to make claim for, receive payment of, execute and endorse all documents, checks or drafts for loss or damage under any insurance policy issued on said personal property.

15. In case of failure of the lessee to procure or maintain said insurance or pay said fees, assessments, charges and taxes as hereinabove specified, the lessor may effect such insurance or pay such fees, assessments, charges and taxes as the case may be, in which event the cost thereof shall be repayable to the lessor with the next installment of rental, and failure to pay the same shall carry with it the same consequences as failure to pay any installment of rental.

16. Lessee agrees that said personal property is of the size, design and capacity selected by the lessee and that the lessee is satisfied that the same is suitable for lessee's purpose and that the lessor has made no representation or warranties, expressed or implied, with respect thereto.

17. As security for the prompt and full payment of the rental of this lease reserved and the faithful performance by the lessee of all other covenants and conditions in this lease contained on the lessee's part to be performed, lessee has upon the execution of this lease deposited with the lessor the amount indicated in said exhibit. In the event any default shall be made in the performance of any of the covenants on the part of the lessee herein contained, the lessor shall have the right, but shall not be obligated, to apply said security to the curing of such default; and the lessee agrees upon demand to restore said security to the full amount set forth in said exhibit in the event any part thereof is utilized to cure any such default. Upon the expiration of the term of this lease, provided the lessee has paid all the rental herein called for and fully performed all of the other covenants and conditions on the lessee's part agreed to be performed, the lessor will return to the lessee said security, less any portion thereof which may have been utilized by the lessor to cure any default as hereinbefore provided and not repaid by the lessee to the lessor.

18. Lessee agrees that should the lessee fail to pay any part of the rentals herein reserved, or any other sum required by lessee to be paid to the lessor within ten days after the due date thereof, or if default shall be made in any of the other covenants or conditions on the lessee's part herein contained, the lessor shall have the right to take possession of said personal property, without demand or notice, wherever said personal property may be located (damages occasioned by such taking of possession are hereby expressly waived by the lessee), and (1) sell said personal property or any portion thereof, and after deducting all cost and expenses in connection therewith, together with an amount equal to ten per cent. (10%) of the actual cost to the lessor of the equipment sold, to credit the net proceeds of such sale to the payment of the obligation of the lessee hereunder, or (2) to lease said personal property or any portion thereof for such period, rental and to such persons as the lessor shall elect, and, after deducting all costs and expenses incurred in connection therewith to apply any rent received therefrom to the payment of the obligations of the lessee hereunder.

19. Lessee agrees to forthwith pay unto lessor upon written demand any and all expense, including reasonable attorney's fees, incurred by the lessor in exercising or enforcing any of its rights hereunder. If the lessor is required to commence any legal action to recover against the Lessee under this agreement, the Lessee agrees to pay such sum as the Court may adjudge reasonable as attorney's fees, together with such sum as may be allowed as attorney's fees by an appellate court.

20. Should lessee fail to pay any part of the rental herein reserved, or any other sum required by the lessee to be paid to the lessor within ten (10) days after due date thereof, lessee shall pay to lessor a service charge of five per cent (5%) of each installment or part thereof for which said rent or other amount shall be delinquent, or \$2.50, whichever is greater, plus interest on such delinquent rent or other amount from the due date thereof until paid at the maximum rate allowed by law.

21. All remedies hereinbefore and hereafter conferred upon the lessor shall be deemed cumulative, and no one exclusive of the other, or of any other remedy conferred by law.

22. No covenant or condition of this lease shall be waived except by the written consent of the lessor, and the forbearance or indulgence by lessor in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by the lessee to which the same may apply, and until complete performance by the lessee of said covenant or condition, the lessor shall be entitled to invoke any remedy available to the lessor under this lease or by law, despite said forbearance or indulgence.

23. Should the lessor assign said sums due or to become due hereunder to any bank, insurance company, individual, firm or corporation, or other lending agency (of which assignment lessee hereby waives notice), lessee agrees to recognize such assignment. If required by such assignee or by lessor, lessee agrees promptly on demand to execute and deliver a financing statement with respect to this lease and said personal property.

24. If it is construed that withholding taxes or workmen's compensation fees or taxes in the event of the failure to pay the same shall constitute a lien upon the personal property included within the terms of this lease, then in that event the lessee agrees to promptly pay the same before the same become delinquent and upon demand of the lessor to furnish evidence of payment by lessee of said taxes and fees.

25. It is expressly understood and agreed that this is only a lease and nothing herein contained shall be construed as conveying to the lessee any right, title or interest in and to said personal property, other than as lessee.

26. Time is of the essence of this lease and each and all of its provisions.

27. This lease shall inure to the benefit of and be binding upon the successors and assigns of the respective parties hereto and the heirs, executors and administrators of the lessee, if an individual, always provided that nothing in this paragraph shall impair any provision hereinbefore set forth inhibiting assignment without written consent of the lessor.

28. It is specifically understood and agreed by and between lessor and lessee that if the personal property herein described shall be attached to real property, the mere attachment of said personal property to said real property shall not be construed as changing the status of said personal property, and if said personal property is attached to real property which does not belong to lessee, the lessee agrees to secure the consent of the owner of said real property to the attachment of said personal property, and that said consent be in writing, and provide that upon the termination of this lease for any reason, said personal property may be removed. A copy of said consent shall be furnished to lessor prior to such attachment.

29. Any court of competent jurisdiction in MULTNOMAH County, OREGON shall be proper venue for any and all suits brought for any and every breach of this lease.

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

ADAIR PROPERTIES, INC.
Lessee

By James R. Adair, President
By Diana M. Adair (Sec)

INDUSTRIAL LEASING CORPORATION
Lessor

By Robert J. Wiener, Asst. Sec.
By RJW:pb
President
Secretary

PERSONAL PROPERTY
LEASE EXHIBIT



3281

Exhibit No. B-3

I.L.C. No. 008101

Industrial Leasing Corporation
2300 S.W. Sixth Avenue • Portland, Oregon 97201 • 503/228-211

1. PERSONAL PROPERTY LEASED:

Description of Personal Property:			
QUANTITY	MODEL	N/U	DESCRIPTION
1	H500	U	DOBOY MANUFACTURING CO. INDIVIDUAL AUTOMATIC WRAPPING MACHINE
1	TC50C	U	CATERPILLAR FORKLIFT, SERIAL NO. 12N3775, L.P.G. POWERED WITH SIDE SHIFT

2. DESCRIPTION OF LOCATION WHERE PERSONAL PROPERTY WILL BE INSTALLED:

ON THE PREMISES OF THE LESSEE: 6803 S. E. BELL STREET, PORTLAND, CLACKAMAS COUNTY, OREGON

3. All rentals are payable at office of lessor, 2300 S. W. Sixth Avenue, Portland, Oregon 97201.

4. DATE OF DELIVERY: FEB 10 1983, 1982.

5. PLACE OF DELIVERY: PORTLAND, OREGON

6. TERM OF LEASE: 36 months from date of delivery.

7. AMOUNT OF RENTAL \$ 2,390.85 per month, payable in advance commencing on the date of delivery.

8. DEPOSIT: \$ 2,390.85

9. AGREED LOSS VALUE: Amount to be paid subject to Paragraph 11 of said lease for each unit lost, stolen, destroyed or damaged beyond repair during each year of the lease term:

1st Yr. \$ <u>64,444</u>	2nd Yr. \$ <u>51,181</u>	3rd Yr. \$ <u>31,848</u>
4th Yr. \$ <u>6,444</u>	5th Yr. \$ <u>6,444</u>	6th Yr. \$ <u>6,444</u>
7th Yr. \$ <u>6,444</u>	Thereafter \$ <u>6,444</u>	

10. OTHER CONDITIONS:

NONE

Approved and agreed to this 24 day of MAY, 1982, as exhibit to Personal Property Lease dated the 24 day of MAY, 1982, by and between the parties hereto and made a part hereof.

ADAIR PROPERTIES, INC.
Lessee

INDUSTRIAL LEASING CORPORATION
Lessor

By James E. Adair (Pres)
JAMES E. ADAIR, President

By _____ President

By Diana M. Adair (Sec.)

By Robert J. Wiener, Asst. Secr. Secretary

RJW:pb

STATE OF OREGON: COUNTY OF KLAMATH :ss
I hereby certify that the within instrument was received and filed for record on the 3rd day of March, A.D., 1983 at 2:26 o'clock P. M., and duly recorded in Vol. M83, of Mortgages on page. 3271

EVELYN BIEHN COUNTY CLERK
by Bernetha J. Detsch Deputy

Fee \$ 44.00