

CITY OF KLAMATH FALLS

HOUSING REHABILITATION LOAN PROGRAM

31920

Supplemental Home Improvement Loan Agreement

Vol. 23 Page 22090

THIS AGREEMENT is made this 15th day of November, 1983, between the City of Klamath Falls, Oregon, a municipal corporation ("City") and William and Dorothy Lehto ("Homeowner") and supplements that prior loan agreement between the parties dated December 3, 1982.

WITNESSETH: That in consideration of a supplemental loan of Three hundred ninety-five and 95/100ths (\$395.95) Dollars from the City, of technical and other assistance provided by the City in connection with repairs and/or improvements to Homeowner's property, and of promises contained in this agreement, the Homeowner and the City agree as follows:

1. The additional work to be paid for with the supplemental loan proceeds in an amount not to exceed \$395.95 shall include only repairs and improvements listed or described in Change Orders dated 2/10/83, which documents are hereby incorporated by reference within this agreement. Homeowner's property to be improved is located at 901 Division (street address) in the City of Klamath Falls, Klamath County, Oregon, and more particularly described as: North 80 feet of Lot 647, Block 119, MILLS ADDITION, to the City of Klamath Falls according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.
2. Homeowner and City agree that the administration of the additional construction work to be performed with the supplemental loan proceeds shall be governed by and subject to the terms of the Contract Documents and the applicable terms of the Housing Rehabilitation Loan/Grant Program for the City of Klamath Falls, Oregon, as adopted by the City Council and currently existing as the date of this Agreement.
3. The Homeowner expressly authorized the City to add the supplemental loan proceeds to Homeowner's rehabilitation account, and to disburse such proceeds in accordance with the Contract Documents and the Program.
4. The Homeowner will begin the additional contract work on or after receiving written authorization to proceed from the City, and will complete the work within 45 days of such receipt. If said work is not completed within such time, and the completion date has not been extended in writing by the City due to work delay not caused by Homeowner's negligence or neglect, the City shall have the right to complete the work by whatever method it deems expedient, and the right to use any amount remaining in the Homeowner's rehabilitation account to pay the costs of such completion.
5. Homeowner shall notify City in writing of the sale or transfer, whether for consideration or not, of any legal or equitable interest in any part of the property, whether it is voluntary or involuntary. Such notice shall be sent as soon as Homeowner knows that there will be a sale or transfer and not later than one week before the expected sale or transfer except in the case of the death of the last surviving Homeowner, in which case the Homeowner's estate shall notify the City as soon as reasonably possible. The notice must include the name of the Homeowner, the address of the property, the name of the person to whom the property is being sold or transferred, and the name of any person or company who is acting as a closing agent for the sale or transfer or is otherwise participating in the transaction. Homeowner authorizes City to contact any of the persons so named and authorize and direct such persons to pay City any obligations owing under this agreement from any monies which such persons owe to Homeowner.

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6. Homeowner has executed a 2nd Promissory Note in favor of the City the same date as this agreement and, to secure said note, a 2nd Trust Deed, dated November 15, 1983, to the City which document Homeowner acknowledges will be recorded by City. In addition, Homeowner acknowledges that City may record this agreement.

7. Each Homeowner who signs this agreement shall be individually and jointly responsible for performing the obligations of Homeowner in this agreement. This agreement shall be binding upon the successors of the parties. Homeowner shall not assign this agreement.

8. In the event of legal suit or action including any appeals therefrom, brought by either party against the other to enforce any of the obligations of this agreement, the losing party shall pay the prevailing party such reasonable amount for investigation costs, attorney's fees and expert witness fees, as may be set by the court. This agreement shall be enforceable in Klamath County, Oregon, and if legal action is necessary by either party with respect to the enforcement of any or all of the terms or conditions herein, exclusive venue for the enforcement of same shall lie in Klamath County, Oregon.

9. The prior loan agreement dated December 3, 1983, together with this document contain the entire agreement between the parties and shall not be modified except by a written instrument signed by the parties.

10. THE HOMEOWNER UNDERSTANDS AND AGREES THAT THE CITY NEITHER HAS NOR WILL HAVE ANY RESPONSIBILITY OR OBLIGATION, LEGAL OR OTHERWISE, IN CONNECTION WITH ANY CONTRACT WORK OR WITH MATERIALS OR EQUIPMENT SUPPLIED; AND THAT ANY GUARANTEE OR WARRANTY OF CONTRACT WORK OR MATERIALS MUST BE OBTAINED BY THE HOMEOWNER FROM WHOEVER SUPPLIES SUCH MATERIALS OR PERFORMS SUCH WORK; AND THAT THE CITY IS NOT RESPONSIBLE FOR THE QUALITY OR ACCEPTABILITY OF SUCH WORK OR MATERIALS; AND THAT IN CONNECTION WITH SAME. THE PROPERTY MUST BE KEPT FREE OF CONSTRUCTION LIENS.

11. HOMEOWNER ACKNOWLEDGES RECEIVING A COPY OF THIS SUPPLEMENTAL LOAN AGREEMENT AND OF A COPY OF THE PROGRAM.

IN WITNESS WHEREOF, this supplemental loan agreement has been duly executed by the undersigned as of the date above written.

CITY:

By George C. Hitt
Mayor
Attest: Barren Fowler
Recorder

HOMEOWNER:

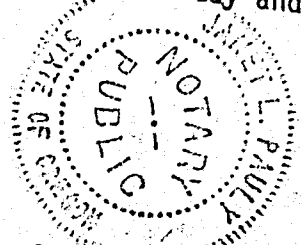
William Lehto William Lehto
Dorothy Lehto Dorothy Lehto

STATE OF OREGON,)
County of Klamath) ss.

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BE IT REMEMBERED, that on this 15th day of November, 1983,
before me, the undersigned, a Notary Public in and for said County and State,
personally appeared the within named William and Dorothy Lehto
known to me to be the identical individual(s) described in and who executed the
within Loan Agreement and acknowledged to me that said individual(s) executed the
same freely and voluntarily.

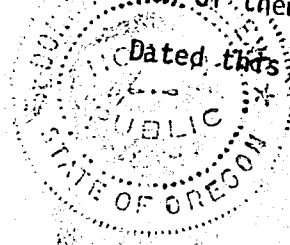
IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official
seal the day and year last above written.



STATE OF OREGON,)
County of Klamath) ss.

[Signature]
Notary Public for Oregon
My Commission Expires: 06/15/84

Personally appeared George Flitcraft and Karren Fowler, who being first
duly sworn, each for himself and not one for the other, did say that the former
is the Mayor and that the latter is the Recorder of the City of Klamath Falls,
a municipal corporation of the State of Oregon, and that the foregoing instrument
was signed on behalf of said municipal corporation by authority of its Council;
and each of them acknowledged said instrument to be its voluntary act and deed.



Dated this 15th day of November, 1983.

Before me:

[Signature]
Notary Public for Oregon
My Commission Expires: 10/28/87

STATE OF OREGON; COUNTY OF KLAMATH; ss.
Filed for record .

this 27th day of December A. D. 19 83 at 10:21 o'clock A M., and
duly recorded in Vol. M83, of Mortgages on Page 22090

By [Signature]
EVELYN BIEHN, County Clerk
Fee \$12.00