

31287

Vol. 91 Page 12429

ASPEN TITLE NO. 04036203  
QUITCLAIM DEED

RESOLUTION TRUST CORPORATION, as RECEIVER/CONSERVATOR OF BENJAMIN FRANKLIN FEDERAL SAVINGS AND LOAN ASSOCIATION OF PORTLAND for and in consideration of the sum of SEVENTY NINE THOUSAND AND NO/100 DOLLARS (\$79,000.00) paid to Grantor, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has and does hereby REMISE, RELEASE, CONVEY AND FOREVER QUITCLAIM unto JAMES A. HAMILTON AND MARILYN S. HAMILTON, husband and wife, having an address at 84 Eulalona Ct., Klamath Falls, OR. 97601, its successors and assigns forever, all of Grantor's right, title and interest in and to that certain tract of land (the "Land") situated in the County of Klamath, State of Oregon, commonly known as 700 MAIN STREET, KLAMATH FALLS, OREGON, and more particularly described in Exhibit "A" attached hereto and incorporated herein by reference, together with all improvements, buildings, structures and fixtures located on the Land (the "Improvements"), all easements, if any, benefiting the Land or the Improvements, and all rights and appurtenances pertaining to the foregoing, including any right, title and interest of Grantor in and to adjacent streets, gores, alleys and rights of way, and all water, water rights, sewer rights, water courses, wells, ditches and flumes located on or appurtenant to the Land (collectively, the "Property").

This conveyance is made and accepted subject to all ~~the "Permitted Exceptions" set forth in Exhibit "B" attached hereto and incorporated herein by reference, and to all of the Leases set forth in Exhibit "C" attached hereto and incorporated herein by reference.~~

TO HAVE AND TO HOLD the same, together with all and singular the rights and appurtenances pertaining thereto, and all the estate, right, title, interest and claim whatsoever of Grantor, either in law or equity, in order that neither Grantor nor any person claiming under or through Grantor shall at any time by any means or ways have, claim or demand any right or title to the Property.

GRANTEE ACKNOWLEDGES AND AGREES THAT GRANTOR HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO,

JAH MSH  
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CONCERNING OR WITH RESPECT TO (A) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY, (B) THE INCOME TO BE DERIVED FROM THE PROPERTY, (C) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH GRANTEE MAY CONDUCT THEREON, (D) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY, (E) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, (F) THE MANNER OR QUALITY OF THE CONSTRUCTION OF MATERIALS, IF ANY, INCORPORATED INTO THE PROPERTY, (G) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY, OR (H) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY, AND SPECIFICALLY, THAT GRANTOR HAS NOT MADE, DOES NOT MAKE, AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS REGARDING COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, INCLUDING SOLID WASTE, AS DEFINED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R., PART 261, OR THE DISPOSAL OR EXISTENCE, IN OR ON THE PROPERTY, OF ANY HAZARDOUS SUBSTANCE, AS DEFINED BY THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, AND REGULATIONS PROMULGATED THEREUNDER. GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY, GRANTEE IS RELYING SOLELY ON OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY GRANTOR. GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED BY OR ON BEHALF OF GRANTOR WITH RESPECT TO THE PROPERTY INCLUDING, WITHOUT LIMITATION, WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT GRANTOR HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. GRANTOR IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY ORAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY, OR THE OPERATION THEREOF, FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON. GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS WITH ALL FAULTS. GRANTEE AND ANYONE CLAIMING BY, THROUGH OR UNDER GRANTEE HEREBY FULLY AND IRREVOCABLY RELEASES GRANTOR, ITS EMPLOYEES, OFFICERS, DIRECTORS, REPRESENTATIVES AND AGENTS FROM ANY AND ALL CLAIM THAT IT MAY NOW HAVE OR HEREAFTER ACQUIRE AGAINST GRANTOR, ITS EMPLOYEES, OFFICERS, DIRECTORS, REPRESENTATIVES AND AGENTS FOR ANY COST, LOSS, LIABILITY, DAMAGE, EXPENSE, DEMAND, ACTION OR CAUSE OF ACTION ARISING FROM OR RELATED TO ANY CONSTRUCTION DEFECTS, ERRORS, OMISSIONS OR OTHER CONDITIONS, INCLUDING ENVIRONMENTAL MATTERS, AFFECTING THE PROPERTY, OR ANY PORTION THEREOF. IT IS UNDERSTOOD AND AGREED

THAT THE PURCHASE PRICE HAS BEEN ADJUSTED BY PRIOR NEGOTIATION  
TO REFLECT THAT ALL OF THE PROPERTY IS SOLD BY GRANTOR AND  
PURCHASED BY GRANTEE SUBJECT TO THE FOREGOING. (OPTIONAL: IN  
ADDITION, GRANTEE FURTHER ACKNOWLEDGES THAT GRANTOR ACQUIRED ITS  
TITLE TO THE PROPERTY THROUGH THE PROCESS OF FORECLOSURE OR  
DEED OF LIEU OF FORECLOSURE.)

IN WITNESS WHEREOF, the parties hereto have signed and delivered  
Quitclaim Deed as of the 20 day of June 1991.

GRANTOR:

Resolution Trust Corporation,  
solely in its capacity as Receiver of  
Benjamin Franklin Federal Savings and Loan  
Association of Portland

By: X Michael Kriston  
Name: ✓ MICHAEL KRISTON  
Title: ✓ SPECIALIST IN CHARGE

GRANTEE:

James A. Hamilton  
Marilyn S. Hamilton

STATE OF Oregon )  
County of Multnomah ) SS.

The foregoing instrument was acknowledged before me on this  
20 day of June, 1991 by Michael Kriston as  
Specialist in Charge of Resolution Trust Corporation, solely  
in its capacity as Receiver for of Benjamin Franklin  
L. Federal Savings and Loan Association of Portland.

Ernest L. Clagett  
Notary Public for Oregon  
My commission expires: 12-18-91

STATE OF OREGON )  
County of Klamath ) SS.

The foregoing instrument was acknowledged before me on this  
27th day of June, 1991 by James A. Hamilton and Marilyn S. Hamilton  
as Grantees named herein

Parlene L. Aldington  
Notary Public for Oregon  
My Commission Expires: 3-22-93

## EXHIBIT "A"

A parcel of land situated in Lot 5, Block 39, ORIGINAL TOWN OF LINKVILLE, NOW THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at the most Westerly corner of Lot 5 of said Block 39; thence from said point of beginning South 50 degrees 50' East along the Southwesterly line of said Lot 5, 112.25 feet to a point; thence North 39 degrees 05' East parallel to the Southeasterly line of said Lot 5, 25.09 feet to the center of an existing building wall; thence North 50 degrees 55' West parallel to the Southwesterly line of said Lot 5 and along the center of said building wall 112.25 feet to a point on the Northwesterly line of said Lot 5; thence South 39 degrees 05' West along the Northwesterly line of said Lot 5, 25.09 feet to the point of beginning.

TOGETHER WITH an easement 3.00 feet in width for purposes of ingress and egress and maintenance purposes more particularly described as follows:

Beginning at a point on the Southwesterly line of said Lot 5, from which the most Westerly corner of Lot 5 bears North 50 degrees 55' West 112.25 feet; thence from said point of beginning North 39 degrees 05' East parallel to the Southeasterly line of said Lot 5, 25.09 feet; thence South 50 degrees 55' East parallel to the Southwesterly line of said Lot 5, 3.00 feet; thence South 39 degrees 05' West parallel to the Southeasterly line of said Lot 5, 25.09 feet to the Southwesterly line of said Lot 5; thence North 50 degrees 55' West along the Southwesterly line of said Lot 5, 3.00 feet to the point of beginning.

CODE 1 MAP 3809-32AA TL 14600



Exhibit C

12433

**OFFICE BUILDING LEASE**

THIS LEASE, made and entered into at the City of Portland, Oregon, this 1st day of

July 19 86, by and between The Benj. Franklin Federal Savings and Loan Association hereinafter called the Lessor, and Edward D. Jones and Company.

hereinafter called the Lessee, WITNESSETH:

The Lessor hereby leases to the Lessee the following described premises, in consideration of and in accordance with the terms, covenants and conditions hereinafter set forth:

**Premises** Rooms Numbered 107 S. Seventh Street containing approximately 789 square feet in the Benj. Franklin building Klamath Falls, Portland, Oregon

**Term** For the term beginning on the 1st day of July 1986, and expiring on the 30th day of June 1989.

**Rental** For a monthly rental of three hundred and fifty-nine and 50 /100 Dollars (\$ 359.50 ).

payable monthly in advance on the first day of each and every calendar month, at the office of the Lessor or the Lessor's agent.

The Benj. Franklin  
Property Management  
P.O. Box 6400  
Portland, Oregon 97228-6400

**I. The Lessee covenants and agrees as follows:**

**Payment** (a) That the Lessee will pay said monthly rental in lawful money of the United States at the office of the Lessor or Lessor's agent, in advance on the first day of each and every calendar month of said term.

**Use** (b) That the Lessee will use and occupy said premises for a stock brokerage firm and for no other purposes; and that the Lessee will at Lessee's own expense repair any damage caused by the Lessee or any of Lessee's employees or agents, or licensees or invitees.

**Assignment and Sub-letting** (c) That the Lessee will not assign this lease or any interest hereunder, and will not permit any assignment hereof by operation of law, and will not sub-rent or sub-let said premises or any portion thereof, and will not permit the use or occupancy of said premises by other than the Lessee and his agents and employees of the Lessee, without first obtaining the written consent of the Lessor.

**Alterations** (d) That the Lessee will make no alterations in or additions to said premises without first obtaining the written consent of the Lessor, and that all additions, improvements and fixtures (except the movable office furniture of the Lessee) made or added either by the Lessee or Lessor shall be and remain the property of the Lessor.

**Uses Prohibited** (e) That the Lessee will not use or permit in said premises anything that will increase the rate of fire insurance thereon or prevent the Lessor's taking advantage of any ruling of the Oregon Insurance Rating Bureau, or its successors, which would allow the Lessor to obtain reduced rates for long term insurance policies; or maintain anything that may be dangerous to life or limb; or in any manner deface or injure said building or any portion thereof; or overload the floors; or permit any objectionable noise or odor to escape or to be emitted from said premises; or permit anything to be done upon said premises in any way tending to create a nuisance or to disturb any other tenants of the building, or to injure the reputation of the building; or to use or permit the use of said premises for lodging or sleeping purposes, or for any immoral or illegal purposes; and that the Lessee will comply at Lessee's own cost and expense with all orders, notices, regulations or requirements of any municipality, state or other governmental authority respecting the use of said premises.

<b>Liability for Injury and Damage</b>	(f) That the Lessor shall not be liable to the Lessee for damage to person or property resulting from the negligence of a co-tenant or anyone else other than the Lessor, or for any damage to person or property resulting from any condition of the premises or other cause, including but not limited to damage by water, not resulting from the negligence of the Lessor.
<b>Vacation or Abandonment</b>	(g) That upon vacation or abandonment of the premises by the Lessee without the written consent of the Lessor endorsed hereon, the Lessor may forthwith enter upon the premises or any portion thereof and re-let and otherwise exercise control over the same and that for the purpose of such re-letting the said Lessor is authorized at the cost of the Lessee to make any repairs, changes, alterations or additions in or to said demised premises which may be necessary in the opinion of the Lessor for the purpose of such re-letting, and that such entry and control shall not release the Lessee from the obligations herein, but Lessee shall nevertheless remain liable and continue bound, unless the Lessor, at Lessor's election, shall cancel the lease, and in that event cancellation shall be effected and Lessor and Lessee released from all obligations thereunder thereafter to accrue, upon the mailing of such notice of cancellation by Lessor to Lessee at Lessee's last known address.
<b>Admittance by Pass-key</b>	(h) That the Lessor shall not be liable for the consequences of admitting by pass-key or refusing to admit to said premises the Lessee or any of the Lessee's agents or employees or other persons claiming the right of admittance.
<b>Signs</b>	(i) That no sign, picture, advertisement or notice shall be displayed, inscribed, painted or affixed to any of the glass or woodwork of the premises hereby demised, except such as shall be approved by the Lessor and shall be painted by a sign painter designated by the Lessor; that no signs or devices shall be hung on or placed against the windows of said premises nor on the exterior wall of the building; and that no furniture, curtain or other obstruction of any kind or size shall be placed before the glass partition dividing said premises from the corridors of said building.
<b>Electrical and Mechanical Devices.</b>	(j) That the Lessee shall not, without Lessor's written consent, operate or install any electrical equipment or operate or install any machinery or mechanical device on said premises other than that normal to office use.
<b>Electrical Installations</b>	(k) That no electric wiring, telegraph call boxes, or telegraphic, telephonic, or other electrical apparatus, including air conditioning equipment, shall be installed, maintained or operated on said premises except with the approval of and in a manner satisfactory to the Lessor; and that in no event shall the Lessee overload the electrical circuits from which the Lessee obtains current.
<b>Awnings</b>	(l) That no awnings shall be attached to the outside of any windows of the premises hereby leased.
<b>Windows</b>	(m) That the Lessee shall not allow anything to be placed on the outside window ledges of said premises; and that nothing shall be thrown by the Lessee or others out of the windows of said building.
<b>Floor Coverings</b>	(n) That the Lessee, or any other person, shall not lay linoleum or other similar floor covering or attach or fix any covering to the walls or ceiling of the premises or any part thereof with paste material save and excepting one which may be easily removed with water. The use of cement or similar adhesive material is expressly prohibited. The tacking or fastening of any such material to the base board or molding is expressly prohibited. Prior to termination of this lease, Lessee, at its own expense, may remove any such floor, wall or ceiling coverings or materials, and upon so doing will restore the floor, wall or ceiling to the condition in which it existed at the time Lessee took possession under this lease. In the event Lessee removed such coverings and fails to restore the floor, walls or ceiling to that condition, Lessee on demand shall pay Lessor the cost of such restoration. If such covering is not removed prior to the termination of this lease the covering shall become and remain the property of Lessor.
<b>Inspection of Premises</b>	(o) That the Lessor and the Lessor's agents, janitors, workmen and engineers may retain and use a pass-key to the premises described herein to enable them to examine said premises from time to time with reference to any emergency or to the general maintenance of said premises, or for the purposes of exhibiting the same.
<b>Surrender of Premises</b>	(p) That at the expiration or sooner termination of this lease, the Lessee will surrender and deliver up said premises to the Lessor, or those having the Lessor's estate therein, in the same condition as the Lessee now receives said premises, ordinary wear and tear and damage by fire and the elements alone excepted.
II. It is further mutually covenanted and agreed between the parties as follows:	
<b>Action or Suit</b>	(1) That if any suit or action or appeal thereof is instituted by either party for the enforcement of any covenant contained in this lease, the prevailing party shall recover, in addition to costs and disbursements, such attorneys' fees as the court may adjudge reasonable to be allowed in such suit or action or appeal thereof.
<b>Default and Insolvency</b>	(2) That if the rent shall be in arrears for a period of ten (10) days; or if the Lessee fails to keep or perform any of the covenants or conditions of this lease; or if the leasehold interest of the Lessee shall be attached or levied on under execution; or if a petition is filed by Lessee for an arrangement with his creditors under Chapter II of the Bankruptcy Act; or if the Lessee shall be declared bankrupt or insolvent according to law; or if any assignment of the Lessee's property shall be made for the benefit of creditors, or otherwise, then, and in any of said events, the Lessor may at the Lessor's option at once, without notice to the Lessee or any other person, terminate this lease, and upon the termination of said lease at the option of the Lessor, as aforesaid, or at the expiration of this lease, and upon the termination of said lease by its terms, the Lessee will at once surrender possession of said premises to the Lessor and remove all

the Lessee's effects therefrom; and if such possession be not immediately surrendered, the Lessor may forthwith enter into and on said premises and repossess them as of the Lessor's former estate and expel the Lessee, or those claiming under the Lessee, and remove the effects of any of them, forcibly if necessary, and lock said premises, without being deemed guilty in any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant; and that in such event the Lessee expressly waives the service of any notice of intention so to terminate this lease or to retake the premises, and waives service of any demand for payment of rent or for possession, and of any and every other notice or demand prescribed by any law of the State of Oregon.

#### Insolvency and Damages

(3) That in the event the Lessee shall be adjudged a bankrupt, or file a petition for an arrangement with his creditors under Chapter II of the Bankruptcy Act, or shall voluntarily offer to creditors terms of composition, or in case a receiver shall be appointed to take charge of and conduct the affairs of the Lessee, then, and upon the happening of any of such events, and unless the trustee in bankruptcy or receiver or such creditors shall immediately thereafter assume and shall fulfill the Lessee's obligations hereunder, the Lessor may, without notice to Lessee or to anyone else, terminate this lease, and, in the event of such termination, Lessor shall have and shall be allowed, as a provable claim in such bankruptcy or creditors' or receivership proceeding, damages for Lessee's such breach of this lease, in an amount equal to the rent reserved in this lease for the residue of the term thereof, less the fair rental value of the premises (but not exceeding the rental stipulated herein) for the residue of said term, after deducting from such fair rental value the reasonable cost and expense incurred by Lessor in re-leasing said premises, if re-leased during the remainder of said term.

#### Light and Air

(4) That this lease does not grant any rights of access to light and air over property.

#### Building Alterations and Repairs

(5) That in the event the Lessor, during the term of this Lease, shall be required by the City of ~~Portland~~ <sup>KLAMATH FALLS</sup>, the order or decree of any court, or any other governmental authority, to repair, alter, remove, reconstruct, or improve any part of the demised premises or of the building of which said premises are part, then such repairing, alteration, removal, reconstruction or improvement may be made by and at the expense of the Lessor without any interference or claim for damages by the Lessee, but there shall be such an abatement or adjustment of rent as shall be just in proportion to the interference with Lessee's occupation of the premises; and that the Lessor and Lessor's agents and employees shall have the right from time to time during the term of this lease to enter into and upon said premises for the purpose of maintaining said premises and making such alterations and repairs and doing such other things thereto and to the equipment or building in which said premises are located, as may become necessary or advisable, without any interference or claim for damages by the Lessee.

#### Damage to Premises

(6) That in case the leased premises, or the building in which they are located, shall be destroyed or damaged by fire or other casualty, making the premises or building untenable, the Lessor may at Lessor's option, exercised within thirty (30) days from the happening of the casualty, elect to terminate this lease or to repair said damages. If the Lessor does not so elect to repair said damages, or the building containing said premises shall have been wholly destroyed, the lease may be terminated by either party as of the date of such damage. If the Lessor elects to repair said damages the Lessor shall at its own expense promptly repair the damages to said leased premises, and the Lessee shall be entitled to an abatement of the rent, or a fair and just proportion thereof, according to the nature of the damage sustained, until said premises have been made fit for occupancy and use.

If the Lessor becomes obligated to repair or reconstruct the premises or the building in which they are located, the Lessor shall be relieved of such obligation and the Lessor may terminate this lease if the Lessor is unable to obtain the necessary labor or materials, or if the Lessor is unable to perform such obligation due to any cause beyond its control, including, but not limited to, strikes, lockouts and labor disturbances, acts of civil or military authorities, restrictions by municipal authorities, restrictions by municipal ordinances or federal or state statutes, and military activity.

#### Eminent Domain

(7) If the premises or the building in which the same are located, or any part thereof, shall be taken or acquired by any municipal or other corporation having the right of eminent domain, either under said right or by purchase without the exercise of said right, the Lessor may at its option terminate this lease without paying any consideration to the Lessee, except that any unearned rental in its possession shall be refunded.

#### Holding Over

(8) That if the Lessee shall hold over after the expiration of the term of this lease, and shall not have agreed in writing with the Lessor upon the terms and provisions of a new lease prior to such expiration, the Lessee shall remain bound by all the terms, covenants and agreements hereof, except that the tenancy shall be one from month to month.

#### Electric Service

(9) That the Lessor shall furnish electric current and lamps for light in such quantity and of such wattage as in the Lessor's opinion shall be necessary; and if the tenant demands additional electric service, it is understood that the same shall be paid for at the public utility's regular scheduled rate.

#### Elevator Service, Heat, Janitor Service

(10) That elevator service and heat and janitor service will be furnished in accordance with the regular schedule of the building; but that failure to furnish elevator service, light or heat or janitor service, when such failure is caused by accidents, strikes or other causes beyond the reasonable control of the Lessor, shall not make for an abatement of rent, nor release the Lessee from the prompt fulfillment of any of the covenants of the Lessee under this lease or render the Lessor liable for damages therefor.

#### Air Conditioning

(11) That if the monthly rental rate herein stipulated includes air conditioning to be provided by the Lessor it is understood and agreed that such air conditioning will be furnished in accordance with the regular schedule of the building; but that failure to furnish air conditioning when such failure is caused by accidents, strikes or other causes beyond the reasonable control of the Lessor, shall not make for an abatement of rent, nor release the Lessee from the prompt fulfillment of any of the covenants of the Lessee under this lease or render the Lessor liable for damages therefor.

**Furniture  
and  
Bulky Articles**

(12) That safes, furniture or bulky articles shall be moved in or out of said premises only at such hours and in such manner as shall least inconvenience other tenants, and as the Lessor shall decide; and that no safe or other article of over 1,000 pounds shall be moved into said premises without the consent of the Lessor, the Lessor to have the right to fix the position of any article of weight in said premises.

**Regulations**

(13) That the Lessor, for the proper maintenance of said building, the rendering of good service, and the providing of safety, order and cleanliness may make and enforce regulations appropriate for such purposes but not in enlargement of or inconsistent with the terms, covenants and conditions of this lease.

**Waiver of  
Breach  
of Covenant**

(14) That the covenants of this lease are continuing covenants and the waiver, whether express or implied, by the Lessor of breaches of said covenants shall not be deemed a waiver of subsequent breaches thereof.

**Modification**

(15) This lease may not be modified except by endorsement in writing attached to this lease, dated and signed by all the parties hereto, and Lessor shall not be bound by any oral or written statement of any servant, agent, or employee modifying this lease.

**Parties  
Affected**

(16) That the rights, liabilities, and remedies provided for herein shall extend to the heirs, legal representatives, successors and, so far as the terms of this lease permit, assigns of the parties hereto; and that the words "Lessor" and "Lessee" and their accompanying verbs or pronouns, wherever used in this lease, shall apply equally to all persons, firms or corporations which may be or become parties hereto.

**Sub-letting  
or  
Assignment**

(17) That in the event of sub-letting or assignment with the prior written consent of the Lessor, which consent will not be unreasonably withheld, the following conditions, however not limited to these specified will apply:

- a. the rental amount will be adjusted, by the same formula as shown in Exhibit 'A' for annual adjustments, to the current rate at the time of such assignment or sub-letting.
- b. If the primary lease provides for an option to renew or extend the lease, said option shall become null and void by execution of any such sub-letting.
- c. any costs incurred for remodeling or partitions, doors, ceiling, lighting, HVAC revisions, or carpet repair shall be borne by Lessee or sub-lessee/assignee and at no cost to the Lessor.

**Unpaid Rent**

(18) If rent is not paid within 15 days after its due date, the Lessor may at its option impose a late charge of one percent per month on the unpaid amount (ANNUAL PERCENTAGE RATE 12%) until the delinquent amount is paid.

(19) By this reference Exhibit 'A' attached hereto becomes a part of this lease.

IN WITNESS WHEREOF, the parties hereto have executed this instrument in duplicate at the place and on the day and year first herein written, any corporate signature being by authority of the Board of Directors.

BENJ. FRANKLIN FEDERAL SAVINGS AND LOAN ASSN.

Lessor

Lessee



## EXHIBIT 'A'

12437

BENJ. FRANKLIN - Lessor

Edward D. Jones and Company - Lessee

## I. ADJUSTMENTS:

On the first annual anniversary of the lease and each subsequent annual anniversary of the lease including any extended periods thereof, the rental amount shall be the sum of \$359.50 (the agreed monthly rental for the initial year) plus the following:

RATE: The fixed monthly rental times that percentage in the cost of living for the first one year of this lease based upon the revised Consumer Price Index - All Items - U.S. Cities Average - All Urban Consumers (1967 = 100) published by the Bureau of Labor Statistics of the United States Department of Labor for each subsequent lease anniversary and the base index. The index for each subsequent anniversary shall be divided by the base index. From the quotient thereof, there shall be subtracted the integer one and any positive number shall be deemed to be the percentage of increase in the cost of living and by which percentage the rental would be adjusted.

FORMULA: 
$$\frac{\text{New Index}}{\text{Base Index}} - 1 \times 100 = \text{\% adjustment}$$

The Consumer Price Index base for this Lease is for the month of May, 1986 at 326.3

(The base index and subsequent indexes will show to be \_\_\_\_\_ months prior to the lease date due to lag time in publishing.

## II. TAXES:

The proportionate increase in the real property taxes over the taxes assessed for the base year when compared with the taxes assessed for each succeeding year computed on a square foot basis as if the total of such taxes were assessed against the building on lessor's said property of which the demised premises are a part. This building contains approximately 4,470 square feet and the leased premises contain 789 square feet; thus, as additional rental, approximately 17.65 percent of the annual tax increase will be billed annually.

The base year for tax computation for the fiscal year of 1985/86

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title Co. the 28th day of June A.D., 19 91 at 11:02 o'clock A M., and duly recorded in Vol. M91 of Deeds on Page 12429.

FEE \$68.00

Evelyn Biehn County Clerk

By Paulene Mulvadare

Return: ATC

\_\_\_\_\_  
Lessor

\_\_\_\_\_  
Lessee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date