

Return TO: 34859
KF Trade Center, LLC
P.O. Box 389
Goshen, NY 10924

Vol. 1997 Page 8685

97 MAR 24 P3:48

Certificate of Assistant Secretary
of J. C. Penney Company, Inc.

The undersigned Assistant Secretary of J. C. Penney Company, Inc. hereby certifies that the attached Notice of Lease Termination, dated June 3, 1996, is a true and correct copy of the original thereof which was sent to K. F. Trade Center, L.L.C. by certified mail in June of 1996. Said Notice of Lease Termination terminated that certain lease dated February 12, 1965, by and between Erikson Investment Company, predecessor-in-interest to K. F. Trade Center, L.L.C., as Landlord and J. C. Penney Company, Inc., as Tenant, as amended (the "Lease"). The Lease affected the real property described on Schedule I attached hereto. This certification is being recorded in Klamath County, Oregon for the purpose of placing the public on notice of the Lease termination.

Dated March 14, 1997



Alfred O. Goellner
Assistant Secretary

STATE OF TEXAS)
) SS.:
COUNTY OF COLLIN)

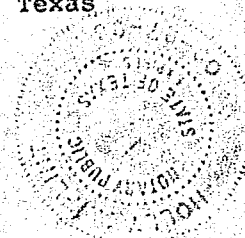
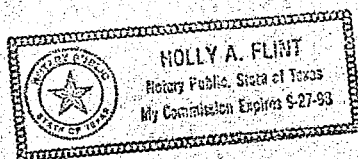
This instrument was acknowledged before me on the 14th day of March, 1997, by Al Goellner, an Assistant Secretary of J. C. PENNEY COMPANY, INC., a Delaware corporation, on behalf of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires:

9-27-98

Holly A. Flint
Notary Public, State of Texas



JCPenney

8686

NOTICE OF LEASE TERMINATION

June 3, 1996

VIA CERTIFIED MAIL R.R.R. P088 929 177/FACSIMILE (914) 294-1507
K. F. Trade Center, L.L.C.
25 Main Street
Goshen, New York 10924
Attn.: Paul T. Manza, Principal

Re: J. C. Penney Store #132 - Klamath Falls, Oregon

Dear Mr. Manza:

Reference is hereby made to that certain Lease Agreement dated February 12, 1965, by and between Erikson Investment Company, predecessor-in-interest to K. F. Trade Center, L.L.C., as Landlord and J. C. Penney Company, Inc., as Tenant, as amended (the "Lease"). As used herein, capitalized terms not otherwise defined shall have the meanings set forth in the Lease.

On or about February 4, 1996, the premises leased to Tenant pursuant to the Lease (the "Demised Premises") were substantially damaged when the roof collapsed. Pursuant to the article of the Lease captioned "Damage Clause", Landlord commenced restoration work on the Demised Premises by clearing and removing the debris located therein.

However, to date, Landlord has not begun reconstruction of the Demised Premises or provided Tenant with a firm timetable for the reconstruction of same. To Tenant's knowledge, Landlord has not let bids to rebuild the Demised Premises, or even selected a contractor to oversee the reconstruction work.

Reference is also made to that certain notice letter dated May 17, 1996 from the Tenant to Landlord, advising Landlord that "Landlord's failure to let bids and commence the physical reconstruction of the Demised Premises by June 1, 1996 shall be deemed to be Landlord's failure to proceed diligently to complete the repairing of the Demised Premises." (A copy of said notice letter is attached hereto as Exhibit A). In the event of such deemed failure by Landlord on June 1, 1996, Tenant may by written notice to the Landlord terminate the term of the Lease.

8687

Paul T. Manza, Principal
Page 2
June 3, 1996

This letter shall serve as Tenant's formal written notice to Landlord of Tenant's election to terminate the term of the Lease, and the Lease shall be and hereby is terminated effective upon the giving of this notice. Notwithstanding the termination of the Lease, Tenant hereby reserves all rights and remedies available to it under the Lease, at law and in equity.

Sincerely,

APPROVED J. C. PENNEY COMPANY, INC.
S.W.
ATTORNEY
Michael Lowenkron
Vice President

SW/hf

cc: F. Bonet
S. Johnson
L. Krampitz
M. Lowenkron
R. O'Leary
R. Sherwood
M. Tacher

P 088 929 177

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

#132 6/3/96

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address (Extra charge)
2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:
KF Trade Center, Co.
25 Main Street
Goshen, IN 46524
Attn: Paul T. Manza
Principal

4. Article Number:
P088 929 177

Type of Service:
☒ Registered ☐ Insured
☒ Certified ☐ COD Return Receipt for Merchandise
☐ Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
X [Signature]

6. Signature - Agent
X [Signature]

7. Date of Delivery
6/10/96

8. Addressee's Address (ONLY if requested on the back)
RECEIVED
JUN 18 1996
JCPenney

U.S. FORM 3817c APR 1995

SenTo Paul T. Manza
KF Trade Center LLC
25 Main Street
Goshen, IN 46524
Postage \$
Certified RECEIVED
Spec. Delivery Fee \$
Restricted Delivery Fee JCPenney -
Return Receipt to whom and Date Delivered
Return Receipt showing to whom Date and address of delivery
TOTAL Postage and Fees \$
Postage Date
JCPenney 7/1/96

JCPenney

8688

Exhibit A
(1 of 2)

writer's direct dial number (214)431-1619

facsimile number (214)431-1855

May 17, 1996

VIA CERTIFIED MAIL R.R.R. P088 929 185/FACSIMILE (914) 294-1507
K. F. Trade Center, L.L.C.
25 Main Street
Goshen, New York 10924
Attn.: Paul T. Manza, Principal

Re: J. C. Penney Store #132 - Klamath Falls, Oregon

Dear Mr. Manza:

Reference is hereby made to that certain Lease Agreement dated February 12, 1965, by and between Erikson Investment Company, predecessor-in-interest to K. F. Trade Center, L.L.C., as Landlord and J. C. Penney Company, Inc., as Tenant, as amended (the "Lease"). As used herein, capitalized terms not otherwise defined shall have the meanings set forth in the Lease.

On or about February 4, 1996, the premises leased to Tenant pursuant to the Lease (the "Demised Premises") were substantially damaged when the roof collapsed. Pursuant to the article of the Lease captioned "Damage Clause", Landlord commenced restoration work on the Demised Premises by clearing and removing the debris located therein.

However, to date, Landlord has not begun reconstruction of the Demised Premises. To Tenant's knowledge, Landlord has not let bids to rebuild the Demised Premises.

The article of the Lease captioned "DAMAGE CLAUSE" specifically provides that:

"if Landlord, for any reason whatsoever, fails to commence such restoration work within 90 days from the date when such damage or destruction occurred or fails thereafter to proceed diligently to complete such repair work and/or rebuilding, Tenant, in addition to such other rights and remedies as may be accorded Tenant by law, shall have the right and option to terminate the term of this lease by giving Landlord written notice of Tenant's election so to do at any time prior to the completion of such repairs or rebuilding provided Landlord shall not then be actively undertaking such restoration work, and upon such notice being given the term of this lease shall automatically terminate and end."

Paul T. Manza, Principal
Page 2
May 17, 1996

This letter shall serve as Tenant's formal written notice to Landlord that Landlord's failure to let bids and commence the physical reconstruction of the Demised Premises by June 1, 1996 shall be deemed to be Landlord's failure to proceed diligently to complete the repairing and rebuilding of the Demised Premises. In the event of such deemed failure on June 1, 1996, Tenant may by written notice to Landlord (provided Landlord shall not then be actively undertaking such restoration work) terminate the term of the Lease.

Regardless of whether or not Tenant elects to terminate the term of the Lease pursuant to its lease right (in the event of Landlord's deemed failure to proceed diligently with its reconstruction obligations), Tenant hereby reserves all rights and remedies available to it under the Lease, at law and in equity.

Sincerely,

J. C. PENNEY COMPANY, INC.

Stewart P. Wayne
Stewart Wayne
Attorney

SW/hf

cc: F. Bonet
S. Johnson
L. Krampitz
M. Lowenkron
R. O'Leary
R. Sherwood

Schedule I

Legal Description of Property Affected by 2/12/65 lease by and between Erikson Investment Company, predecessor-in-interest to K. F. Trade Center, L.L.C., as Landlord and J. C. Penney Company, Inc., as Tenant.

All that portion of Tracts 32 and 36, Enterprise Tracts, situated in the NW $\frac{1}{4}$ of section 3, T39S, R9EWM, Klamath County, Oregon, more particularly described as follows:

Beginning at the southeast corner of said Tract 32; thence N89°30'45"W a distance of 281.8 feet (West 281.7 feet by previous records) to an iron pipe on the Northwesterly line of Austin Street as deeded to Klamath County by Deed Volume 229, Page 300, Klamath County Deed Records; thence N34°07'30"E at right angles to South Sixth Street and along the Northwesterly line of Austin Street a distance of 183.08 feet to an iron pin on a point on a line that is parallel to and 180 feet distant at right angles from the east line of said Tract 32; thence N0°20'45"E along said parallel line and along the westerly line of Austin Street a distance of 722.70 feet to an iron pin being the True Point of Beginning of this description; said point being S0°20'45"W a distance of 400.02 feet from the iron pin marking the southerly line of Shasta Way; thence N89°39'15"W a distance of 629.67 feet to an iron pin on the southeasterly line of Avalon Street; thence N30°37'E along the southeasterly line of Avalon Street a distance of 284.57 feet to an iron pipe; thence N89°56'E a distance of 110.32 feet to an iron pipe; thence N0°07'30"W a distance of 150.11 feet to an iron pipe on the southerly line of Shasta Way; thence N89°50'30"E along the southerly line of Shasta Way a distance of 377.21 feet to an iron pin on the west line of Austin Street; thence S0°20'45"W along the west line of Austin Street a distance of 400.02 feet to the True Point of Beginning of this description.

The bearing of the above described tract of land is based on South Sixth Street bearing being N55°52'30"W from the intersection of Austin Street. The above described tract of land contains 4.468 acres, more or less.

and

Schedule I

PARCEL I

All that portion of Tracts 32, 33A, & 36, Enterprise Tracts, situated in the NW 1/4 of Section 3, T 39 S, R 9 EWM, Klamath County, Oregon, more particularly described as follows:

Beginning at an iron pipe on the south line of said Tract 32, said point being N 89° 30' 45" W a distance of 281.8 feet from the southeast corner of said Tract 32 (this same reference is described as being West a distance of 281.7 feet by previous records), said beginning point also being on the northwesterly line of Austin Street as deeded to Klamath County by Deed Volume 229, Page 300, Klamath County Deed Records; thence N 34° 07' 30" E at right angles to South Sixth Street and along the northwesterly line of Austin Street a distance of 183.08 feet to an iron pin on a point on a line that is parallel to and 180 feet distant at right angles from the east line of said Tract 32; thence N 0° 20' 45" E along said parallel line and along the westerly line of Austin Street a distance of 722.70 feet to an iron pin that is S 0° 20' 45" W a distance of 400.02 feet from the iron pin marking the southerly line of Shasta Way; thence N 89° 39' 15" W a distance of 629.67 feet to an iron pin on the southeasterly line of Avalon Street; thence S 30° 37' 00" W along the southeasterly line of Avalon Street a distance of 657.53 feet to an iron pin on the most northerly corner of a tract described as Parcel 3 in Deed Volume 256, Page 96, Klamath County Deed Records; thence S 59° 23' 00" E along the northeasterly line of said tract a distance of 149.94 feet to an iron pin; thence S 30° 37' 00" W along the southeasterly line of said tract a distance of 59.20 feet to an iron pin on the northeasterly line of Pershing Way; thence S 55° 52' 30" E along the northeasterly line of Pershing Way a distance of 485.15 feet to an iron pipe on the southerly projection of the line between Tracts 32 & 36, Enterprise Tracts; thence N 0° 14' 30" W along said projected line a distance of 98.97 feet to an iron pipe on the southwest corner of said Tract 32; thence S 89° 30' 45" E along the southerly line of said Tract 32 a distance of 362.50 feet to the point of beginning, containing 16.015 acres, more or less.

PARCEL II

A parcel of land situated in the NW 1/4 of Section 3, T 39 S, R 9 EWM, Klamath County, Oregon, more particularly described as follows:

Beginning at the northwest corner of said Section 3, said point being marked by a cased iron pin; thence S 0° 00' 30" E along the westerly line of said Section 3 a distance of 826.80 feet to its intersection with a line parallel with and 75.0 feet distant at right angles northeasterly from the centerline of Klamath Falls - Lakeview Highway, also known as South Sixth Street, as the same is now located and constructed; thence S 55° 52' 30" E along said parallel line a distance of 1682.84 feet to an iron pin on the northwesterly line of Austin Street; thence N 34° 07' 30" E along said line a distance of 235.00 feet to an iron pin on the northeasterly line of Pershing Way, said point being the True Point of Beginning of this description; thence N 34° 07' 30" E along the northwesterly line of Austin Street a distance of 282.50 feet to an iron pipe on the southerly line of Tract 32, Enterprise Tracts, said point being N 89° 30' 45" W a distance of 281.8 feet from the southeast corner of said Tract 32 (this same reference is described as being West a distance of 281.7 feet by previous records), said point being on the northwesterly line of that tract deeded to Klamath County by Deed Volume 229, Page 300, Klamath County Deed Records; thence N 89° 30' 45" W along the southerly line of said Tract 32 a distance of 362.50 feet to an iron pipe on the southwest corner of said Tract 32; thence S 0° 14' 30" E along the southerly projection of the line between Tracts 32 & 36, Enterprise Tracts, a distance of 98.97 feet to an iron pipe on the northeasterly line of Pershing Way; thence S 55° 52' 30" E along said line a distance of 245.93 feet to the True Point of Beginning of this description, containing 1.209 acres, more or less.

2 of 2

STATE OF OREGON : COUNTY OF KLAMATH:

ss.

Filed for record at request of Amerititle the 24th day
of March A.D., 19 97 at 3:48 o'clock P. M., and duly recorded in Vol. M97
of Deeds on Page 8685

FEE \$60.00

Bernetha G. Letsch, County Clerk
by Kedden Rose