

10-5-73

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THIS AGREEMENT, Made and entered into this 2nd day of April, 1979,
by and between TED L. GLIDEWELL and JUDY A. GLIDEWELL, husband and wife,
hereinafter called the first party (whether singular or plural), and PAUL BARTRAM, CLIFF
SHUCK and RICHARD M. CLARK, hereinafter called the second party,

WITNESSETH: In consideration of the covenants herein contained to be kept and performed by second party, first party does hereby lease, demise and let unto the said second party the following described premises situated in the City of Klamath Falls, County of Klamath, Oregon, to-wit:

See attached Exhibit "A"

known as Glidewell Ranch
March 15, 1979, and ending at midnight on March 15, 1980, for a term beginning
rental of \$6,000.00 per annum during said term, payable in advance in lawful money of the
United States to the order of the first party at the following address c/o Mel Kosta, Attorney
for Ted and Judy Glidewell, 325 Main Street, as follows:
Klamath Falls, OR 97601

Lessors acknowledge receipt of the sum of \$6,000.00 for the period set forth above and further grant an option to Lessees to purchase said property within the one year lease period for sale by Lessees to a purchaser with a note guarantee to Lessors of \$183,000.00 with no commission to Lessees. Lessors agree that if Lessees sell said property, they will accept 25 percent down of the balance to be paid over a 20 year period with interest at the rate of eight and one-half percent (8-1/2%) per annum to be included in said payments with no pre-payment penalty. See attached Exhibit

The respective parties hereto agree to the following terms and conditions: "B" for further agreements.

(a) At the beginning of this lease, the said premises shall be equipped at first party's expense with electric wiring and plumbing facilities capable of producing hot and cold running water and adequate heating facilities.

(b) The second party expressly agrees to pay said rents at the times and place aforesaid; to use said premises for residential purposes and no other purpose without first party's consent; to make no unlawful or offensive use of said premises; not to suffer or permit any waste or strip thereof; not to make any alterations or improvements upon said premises or assign this lease or sublet said premises, or any thereof, or permit any other person to occupy the same without first party's written consent first obtained; to comply with all laws, ordinances and regulations of any public authority respecting the use of said premises; promptly to pay for all heat, light, water, power and other services or utilities (including garbage disposal) used on said premises; to keep said premises, including all exposed plumbing, heating equipment and apparatus at all times in good repair and to pay for all repairs on said premises during the term of this lease except those which the first party hereinafter specifically agrees to make; to keep the roof of the building on and the sidewalks surrounding said premises free of snow, ice, rubbish and debris during the term hereof; not to commit, permit or create any nuisance on said premises; promptly to replace all glass which may be broken, cracked or damaged in the windows and doors of said premises with glass of as good or better quality than that now in use; to permit the first party, his agents and representatives, at any time during business hours to enter said premises for the purpose of examining the condition thereof or other lawful purpose; to keep said premises free of all mechanic's liens and upon the expiration of said term, or any termination hereof, to quit and deliver up said premises and all future additions to the same, broom-clean, to the first party, peacefully, quietly and in as good order and condition, reasonable use and wear thereof, damage by fire and the elements alone excepted, as the same are now in. During the term of this lease the first party agrees to maintain the exterior walls, gutters, downspouts, unexposed plumbing and foundations of the building on said premises and the sidewalks thereabout in good order and repair; provided, however, that all sums expended by the first party for said purposes shall be reported to the second party in writing within thirty days after each expenditure is made.

(c) In the event of the destruction of the building on said premises from any cause, either party may terminate this lease after ten days written notice of the other, effective as of the date of said destruction; provided, however, that if the damage to said building is more than 50 per cent of its sound value, the first party may or may not elect to restore said building; written notice of first party's said election shall be given the second party within fifteen days after the occurrence of said damage; if such notice is not so given, the first party conclusively shall be deemed to have elected not to restore the building, and the second party forthwith may terminate this lease as of the date of said damage. If the damage to said building does not amount to the extent last indicated, or if the first party elects to restore said building as aforesaid, then the first party shall repair said building with all convenient speed and during said repairs there shall be such an abatement of rent as the nature of the damage and its interference with the occupancy of said leased premises shall warrant.

(d) Time is of the essence of this lease and if said rents shall be in arrears for ten days, or if the second party shall neglect or fail to do or perform any of the covenants herein contained, then the first party, at his option and after proper written notice, may at any time while said default continues, enter upon said premises and repossess the same, expel the second party and remove his effects at second party's expense, forcibly if necessary, without being taken or deemed guilty in any manner of trespass and without prejudice to any other remedies which might otherwise be used for arrears of rent or breach of covenant.

(e) All repairs, additions, improvements and alterations in and to said premises made by the second party shall be and become the property of the first party as soon as made. Any holding over by the second party after the expiration of this lease shall be deemed a tenancy from month to month only, terminable in the manner provided by law by either party hereto. In the event of any suit or action on this lease, reasonable attorney's fees may be awarded by the trial court to the prevailing party in such suit or action, and on appeal, if any, similar reasonable attorney's fees may be awarded by the appellate court to the party prevailing on such appeal.

(OVER)

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(1) OPTION TO SECOND PARTY—At any time while this lease is in full force and effect, except as hereinafter provided, and second party is not in default in his performance hereof, the said first party, for value received, hereby gives and grants unto the second party the sole, exclusive and irrevocable right and option to purchase the above described premises subject to and upon the terms and conditions set forth in the form of purchase agreement hereto attached, and for a price to be ascertained as follows: The basic price for said premises shall be the sum of \$ 183,000.00 as set forth in this lease agreement

to and from which shall be made the following additions and deductions, to-wit: To said basic price shall be added (1) the aggregate of the sums expended by the first party and reported in writing by him to the second party between the date of this lease and the exercise of this option, for the maintenance of the exterior walls, gutters, downspouts, unexposed plumbing and the foundations of the building on said premises and the sidewalks thereabout; (2) the aggregate of all fire insurance premiums, all taxes and city, county and district liens on said premises paid by the first party between the date hereof and the exercise of this option; (3) a sum equal to a prorata as of the date hereof of taxes, paid by the first party during the fiscal tax year in which this option is given and covering a period extending to the date of the exercise of this option, together with (4) a sum equal to interest on said basic purchase price at the rate of per cent per annum from the date hereof to the exercise of this option; there shall be deducted from said basic price, (5) the total rents paid by the second party to the first party under said lease and (6) if, between the date of this lease and the exercise of this option, the building on said premises has been destroyed or damaged, there shall also be deducted all sums received or receivable by the first party from any insurance carried by him on said building and not previously expended by him for its repair or restoration.

(1) The net sum so ascertained shall be the option price on said premises.

(2) Time is of the essence hereof and this option shall be null and void and of no force and effect unless exercised by the second party on or before the 15 day of March, 1980, at 5:00 P.M. by notifying the first party of his intent to exercise said option by a writing forwarded to the first party at first party's address stated below; immediately thereafter the parties hereto, following the formula stated above, shall determine the amount of said purchase price and shall execute and deliver an agreement of sale and purchase in the form attached hereto. Contemporaneously with the delivery of said agreement of sale and purchase, the second party shall make the first or down payment stated in said agreement.

(3) Within ten days from the date of said purchase agreement, the first party agrees to deliver to the second party a policy of title insurance insuring in the amount of said selling price marketable title to the above described premises in first party, subject to building restrictions, zoning ordinances, if any, and any liens or incumbrances against said premises to be assumed by second party in said sale; said first party may have a reasonable time to correct any defects of title which may appear.

(4) Should second party fail to exercise his said option, the foregoing lease shall continue until terminated pursuant to its terms.

(g) The first party is the owner of said premises and neither is the manager thereof duly authorized on behalf of the owner to accept service of process and receive and receipt for notices and demands.

(h) This lease and option shall bind and inure to the benefit of, as the circumstances may require, not only the immediate parties hereto but their respective heirs, executors and administrators, the successors and assigns of the first party, and, so far as the terms hereof permit assignment, the successors and assigns of the second party as well.

(i) In construing this lease and option agreement it is understood that the first and second parties, one or both of them, may be more than one person or a corporation and that, therefore, if the context so requires, the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine and the neuter, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to more than one individual.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands in duplicate on this, the day and year first hereinabove written.

First Party's Address

Judy A. Gietner (First Party)
Paul W. B. ... (Second Party)
Stephen M. Clark (Second Party)

Subscribed and sworn to before me this 2 day of April, 1979.

Jane Keen

Notary Public for Oregon
My Commission Expires: 10-20-79

(S E A L)

EXHIBIT A

9556

The NW $\frac{1}{4}$ of Sec. 23, and the Westerly one-half of the SE $\frac{1}{4}$, and the NE $\frac{1}{4}$ of the SE $\frac{1}{4}$, all in Sec. 23, Twp. 36 S., R. 11 E., W. 4 M.
Subject to Farm Land Use Taxation, and to any additional taxes which may be levied by reason of the land being disqualified for any reason whatsoever, which said taxes, if any, shall be the obligation of the Purchasers.
Subject to reservations and restrictions of record, and easements and rights of way of record and those apparent on the land.

for the sum of \$150,000.00, \$30,000.00 of which has been paid down, the balance of \$120,000.00 payable in annual installments of \$1,328.00 including interest at 7 per cent per annum, commencing February 7, 1978, and on the 7th day of February of each year thereafter, being amortized over a period of 20 years.

EXHIBIT B

It is understood and agreed that Lessees are licensed real estate agents or brokers and are leasing and purchasing this property for sale, gain or profit. It is further agreed that any sale price in excess of \$183,000.00 will be the property of the Lessees.

It is understood and agreed between the parties that Lessees will pay the power bills during the term of the lease. Lessees further agree not to remove any fencing or trees and also agree not to demolish any buildings on the premises.

It is understood and agreed between the parties that no machinery or equipment is to be included in this lease option; that the 3" and all other irrigation pipe belonging to Lessors will be a part of the lease option and sold with the property; that the 4" irrigation pipe belonging to John Kronenberger will not be a part of this lease option except that the Lessees may use all of the machinery and irrigation pipe on the property during the term of this lease.

Return to
Richard M. Clark
3949 South 6th
Suite 101
K. Falls, Or.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Richard M. Clark

this 27th day of April A. D. 1979 at 10:02 o'clock A. M.

and duly recorded in Vol. M79, of Deeds on Page 9554

Wm D. MILNE, County Clerk

By Bernetha A. Hetch

Fee \$12.00