

4928

Vol. M. 8 / Page 17282

LEASE AGREEMENT

THIS INDENTURE OF LEASE, made and entered into this 16th day of September, 1981, by and between WILLIAM F. SARGESON and LUCIA SARGESON, husband and wife, hereinafter referred to as "Lessors" and BILL B. HARP and ROSELYN M. HARP, husband and wife, hereinafter referred to as "Lessees".

W I T N E S S E T H:

In consideration of the covenants, agreements and stipulations herein contained on part of the Lessees to be paid, kept and faithfully performed, the Lessors do hereby lease, demise and let unto said Lessees, those certain premises situated in the County of Klamath, State of Oregon, described as:

PARCEL 1: In Township 41 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

Section 12: Lots 8, 9 and that portion of Lot 7 lying South of and adjacent to Southern Pacific Railroad right of way

In Township 41 South, Range 11 East of the Willamette Meridian, in the County of Klamath Falls, State of Oregon:

Section 7: A portion of Lot 11 described as follows:

Beginning at the quarter section corner on the West boundary of Section 7; thence due East 660 feet; thence due South 132 feet to the left or North bank of Lost River; thence following the meander line of said river up stream to its intersection with the West boundary of Section 7; thence North following said West boundary line to the POINT OF BEGINNING.

PARCEL II: The following described real property situate in Klamath County, Oregon:

The N $\frac{1}{2}$ SE $\frac{1}{4}$ and Lots 4 and 5 of Section 7, Township 41 South, Range 11 East of the Willamette Meridian, EXCEPTING THEREFROM those portions deeded to United States of America in Deed Volume 38 at page 277 and 278 and Deed Volume 58 at page 434.

TO HAVE AND TO HOLD the above-described premises for a term of one (1) agricultural season, commencing, terminating and subject to the terms, covenants and conditions hereinafter set forth:

SPECIAL TERMS, COVENANTS AND CONDITIONS:

1. TERM. The term of this lease shall commence April 30, 1982 and end on December 31, 1982, both dates conclusive, unless sooner terminated as herein provided. The Lessees are in possession of the premise at the time of this Agreement and shall have the right to remain.

2. RENTAL. Lessees agree to pay to the Lessors, as rental for said demised premises, during the term of this lease, the sum of Ten Thousand and No/100ths (\$10,000.00) DOLLARS, payable on or before July 1, 1982 and the sum of Ten Thousand and No/100ths (\$10,000.00), payable on or before December 1, 1982.

3. ACCEPTANCE OF PREMISES. Upon taking possession of the demised premises, Lessees shall be conclusively presumed to have accepted the same, as is, as satisfactory for Lessee's purposes.

4. PERSONAL PROPERTY AND IMPROVEMENTS: As a part of this Lease Agreement, it is understood that there are certain items of personal property and improvements upon the property and the parties make the following agreements concerning the same:

(A) DWELLING HOUSE. The dwelling house shall not be a portion of this lease. The Lessees may remain in the dwelling house until April 30, 1982 at which time they shall remove themselves and their possession therefrom.

(B) BARNs, SHEDS AND CORRALS. There is located upon the property certain barns, sheds and corrals. The Lessees may use the barns and sheds for the purposes of storage of crops, equipment and materials, and the corrals nearby for the keeping of livestock. These structures include a loafing shed and a wooden floored grainery. The Lessees shall maintain said barns, sheds and corrals in good condition and remove any debris or trash in, from, or around said structures. The Lessors shall be entitled to use the barns,

2. LEASE AGREEMENT

sheds and corrals so long as it does not interfere with the use by the Lessees.

(C) FENCES. The Lessees shall keep all fences in proper repair and provide all necessary material of good quality for such purpose.

(D) GROWING CROPS. The property is primarily planted in alfalfa and pasture grasses. The Lessees shall maintain said crops and shall not remove any pasture without the express written consent of the Lessors. The Lessees covenant to farm said premises in a good and farmlike manner, to properly care for all growing crops and to harvest all crops in proper season. The Lessees shall keep the premises free from brush, burrs and russian thistles. The Lessess may sublet portions of the property which are suitable for potatoes or grain crops.

5. RESTRICTIONS FOR USE: The Lessees' use and occupancy of the aforesaid premises shall, in every respect, be for lawful purposes and for purposes normally associated with their use. The Lessees shall not use or occupy nor permit the leased premises, or any part thereof, to be used or occurrped for any unlawful use or purpose, or any use or purpose deemed disruptable or extra-hazardous, nor for any purpose or in any manner which is in violation of any present or future governmental law or regulations. Further, the Lessees shall not suffer any strip or waste thereof.

6. REPAIR AND MAINTENANCE: The Lessees shall, during the term of this lease, at their sole expense, keep the interior and exterior of the leased premises in as good order and repair as it is at the date of the commencement of this lease, reasonable wear and tear and damage by accidental fire or other casualty excepted.

7. UTILITIES: The Lessors shall not be required to furnish any service to the leased property with the exception of water. Lessees must provide and pay for their own electricity and all other

utilities and shall indemnify the Lessors against any liability or damages on account of said electricity and utilities.

8. INSURANCE; Throughout the term of this lease the Lessors shall pay all premiums for insurance coverage on the leased property. Such insurance shall include only destruction of the improvements by loss by fire or other natural destruction. The Lessees shall save Lessors harmless from any loss upon the property to Lessees, Lessees' invitees, Lessees' employees or any other persons upon the premises.

9. TAXES: Throughout the term of this lease, the Lessors shall pay all ad valorem property taxes on the leased property.

10. TERMINATION: If at any time the Lessees fail to adhere to any provision of this Lease Agreement, the Lessor may, upon giving the Lessees ten (10) days written notice, terminate the Lease Agreement. If there is a disagreement between the parties as to whether the lease should be terminated, the issue(s) of disagreement shall be submitted to arbitration as provided herein, or, at the election of the Lessors, submit the matter to the District Court for Klamath County under an F.E.D. action.

11. ARBITRATION: Any disagreement between the parties with respect to the interpretation or application of this lease, or the obligations of the parties hereunder, shall be determined by arbitration. Such arbitration shall be conducted, upon request of either Lessors or Lessees, before three arbitrators (unless Lessors and Lessees mutually agree to one arbitrator) designated by the American Arbitration Association and in accordance with the rules of such Association. The arbitrators designated and acting under this Lease shall make their award in strict conformity with such rules and shall have no power to depart from or change any of the provisions thereof. The expense of arbitration proceedings conducted hereunder shall be borne equally by the parties. All arbitration proceedings hereunder shall be conducted in Klamath Falls, Oregon.

4. LEASE AGREEMENT

GENERAL TERMS, COVENANTS AND CONDITIONS:

In consideration of the leasing of said premises and of the mutual agreements hereinafter contained, each party hereto does hereby expressly covenant and agree to and with the other, as follows:

(1) Lessor's Right of Entry:

It shall be lawful for Lessors, their agents and representatives, at any reasonable time, to enter upon said demised premises for the purpose of examining the condition thereof, or to show the same to prospective purchasers or lenders. The Lessors may also park equipment upon the premises in a way that will not interfere with the farming operations of the Lessees. The Lessor may also enter upon the premises to use the shop building for the pursuit of their own interests.

2. Right of Assignment:

Lessees will not assign, transfer, pledge, hypothecate, surrender, or dispose of this lease, or any interest therein, or permit any other persons whomsoever, to occupy the premises without the written consent of the Lessors being first obtained in writing. The Lessors understand, however, that Lessees intend to assign this lease, if possible, and in the event Lessees obtain such an assignment, the Lessors will not withhold their consent except upon good cause shown.

3. Liens:

Lessees shall not permit any lien of any kind, type or description to be placed or imposed upon the premises, or any part thereof.

4. Attorney's Fees:

In the event of any litigation between the parties hereto arising out of this Lease, or the leased premises, the prevailing party therein shall be allowed all reasonable attorney's fees expended or incurred in such litigation to be recovered as a part of the costs herein.

5. Default: This lease is made upon the express condition

5. LEASE AGREEMENT

that if the Lessees fail to pay the rental reserved hereunder, or any part thereof after the same shall become due, and such failure shall continue for twenty-four (24) hours after written notice thereof from the Lessors to Lessees, or if the Lessees fail or neglect to perform, meet or observe any of the Lessee's other obligations hereunder and such failure or neglect shall continue for a period of ten (10) days after written notice thereof from Lessors to Lessees, then the Lessors, at any time thereafter, may lawfully declare the termination hereof and re-enter said premises, or any part thereof, and by due process of law, expel, remove and put out the Lessees or any person or persons occupying said premises.

6. Abandonment:

The Lessees agree not to vacate or abandon the premises at any time during the demised term. Should the Lessees vacate or abandon said premises or be dispossessed by process of law or otherwise, such abandonment, vacation or dispossession shall be a breach of this lease, and Lessors may take immediate possession of the premises.

7. Notices:

All notices to be given by the terms of this lease by one party hereto to the other, shall be sufficient if in writing, contained in a sealed envelope, deposited in the U. S. Registered Mails, with postage fully prepaid, at the following address:

William F. Sargeson
Lucia Sargeson

Bill B. Harp
Roselyn M. Harp

✓ 363 Read Drive

Box 424

✓ Lafayette Calif 94549

Merrill, Ore 97633

8. Holding Over:

Any holding over after the expiration of said term, with the consent of the Lessors, shall be construed to be a ten-

ancy at sufferance, and shall be on the terms and conditions herein specified, as far as applicable.

IN WITNESS WHEREOF, the parties have set their hands and seals the day and year first hereinabove written.

X William F. Sargeson
William F. Sargeson

X Lucia Sargeson
Lucia Sargeson

LESSORS

Bill B. Harp
Bill B. Harp

Roselyn M. Harp
Roselyn M. Harp

LESSEES

WHEN RECORDED MAIL TO:

Mr/Mrs. William F. Sargeson
363 Read Dr.
Lafayette, CA 94549

STATE OF OREGON)
COUNTY OF KLAMATH) ss:

September 16th, 1981, personally appeared the above named
BILL B. HARP AND ROSELYN M. HARP, and acknowledged the
foregoing to be their voluntary act and deed.

BEFORE ME:

Mary Lou Ayling, Notary Public for Oregon
my commission expires 11/16/84

STATE OF CALIFORNIA

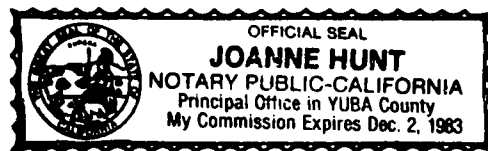
COUNTY OF YUBA

On this 18th day of September in the year one
thousand nine hundred and eighty one, before me,
Joanne Hunt, a Notary Public, State of California,

duly commissioned and sworn, personally appeared
William F. Sargeson and Lucia Sargeson

known to me to be the person s whose name s
are subscribed to the within instrument and acknowledged to me
that he y executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed
my official seal in the _____ County of
Yuba _____ the day and year in this certificate first
above written.



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Joanne Hunt
Notary Public, State of California
My commission expires 12/2/83

Cowdery's Form No. 32 — Acknowledgement — General (C. C. Sec. 1190a)

7. LEASE AGREEMENT

STATE OF OREGON; COUNTY OF KLAMATH: ss.

I hereby certify that the within instrument was received and filed for record on the

28th day of September A.D., 19 81 at 3:34 o'clock P M., and duly recorded in

Vol M81 of Deeds on page 17282.

Fee \$ 28.00

EVELYN BIEHN

COUNTY CLERK

Deputy