

21282

## RESIDENTIAL LEASE WITH OPTION TO PURCHASE

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RECEIVED FROM Dan Kline hereinafter referred to as Tenant,  
 the sum of \$ 2500.00 (Twenty-Five Hundred and No/100 DOLLARS),  
 evidenced by check as a deposit which, upon acceptance of this Lease, the Owner  
 of the premises, hereinafter referred to as Owner, shall apply said deposit as follows:

	RECEIVED	PAYABLE PRIOR TO OCCUPANCY
Non-refundable option consideration	\$ 2500.00	\$
Rent for the period from <u>March 5, 1983</u> to <u>April 5, 1983</u>	\$ 363.18	\$
Last month's rent	\$	\$
Security Deposit	\$	\$
Other <u>Addl \$2500 deposit due March 5, 1984</u> <u>(payable to Mr. &amp; Mrs. Hotchkiss)</u>	\$ 2863.18	\$
TOTAL		

In the event that this agreement is not accepted by the Owner or his authorized agent, within 2 days, the total deposit received shall be refunded.  
 Tenant hereby offers to lease from the Owner the premises situated in the City of Klamath Falls County of Klamath State of Oregon  
 described as Lot 3, Block 1, Pine Grove Ponderosa, aka 3606 Evergreen Dr., Klamath Falls, Ore.

and consisting of Home and garage/shop on approx. 1 1/2 acres  
 upon the following TERMS and CONDITIONS:

TERM: The term hereof shall commence on March 5 19 83 and continue for a period of 48 months thereafter

RENT: Rent shall be \$ 363.18\* per month, payable in advance, upon the 1 day of each calendar month to Owner or  
\*to be adjusted to equivalent of mortgage payment in January of 1984 and January of 1985  
 his authorized agent, at the following address:  
 or at such other places as may be designated by Owner from time to time. In the event rent is not paid within five (5) days after due date, Tenant agrees to pay a late charge  
 of \$10.00 plus interest at 10% per annum on the delinquent amount. Tenant agrees further to pay \$5.00 for each dishonored bank check.

UTILITIES: Tenant shall be responsible for the payment of all utilities and services, except: None  
 which shall be paid by Owner.

USE: The premises shall be used as a residence with no more than Two adults and Two children, and for no other  
 purpose, without the prior written consent of the Owner.

PETS: No pets shall be brought on the premises without the prior consent of the Owner. Lessee shall be permitted one dog to be kenneled on premises.

ORDINANCES AND STATUTES: Tenant shall comply with all statutes, ordinances and requirements of all municipal, state and federal authorities now in force, or  
 which may hereafter be in force, pertaining to the use of the premises.

ASSIGNMENT AND SUBLETTING: Tenant shall not assign this agreement or sublet any portion of the premises without prior written consent of the Owner which may  
 not be unreasonably withheld.

MAINTENANCE, REPAIRS OR ALTERATIONS: Tenant acknowledges that the premises are in good order and repair, unless otherwise indicated herein. Owner may  
 at any time give Tenant a written inventory of furniture and furnishings on the premises and Tenant shall be deemed to have possession of all said furniture and furnish-  
 ings in good condition and repair, unless he objects thereto in writing within five days after receipt of such inventory. Tenant shall, at his own expense, and at all times,  
 maintain the premises in a clean and sanitary manner including all equipment, appliances, furniture and furnishings therein and shall surrender the same, at termination  
 hereof, in as good condition as received, normal wear and tear excepted. Tenant shall be responsible for damages caused by his negligence and that of his family or  
 invitees and guests. Tenant shall not paint, paper or otherwise redecorate or make alterations to the premises without the prior written consent of the Owner. Tenant shall  
 irrigate and maintain any surrounding grounds, including lawns and shrubbery, and keep the same clear of rubbish or weeds, if such grounds are a part of the premises  
 and are exclusively for the use of the Tenant.

ENTRY AND INSPECTION: Tenant shall permit Owner or Owner's agents to enter the premises at reasonable times and upon reasonable notice for the purpose of  
 making necessary or convenient repairs, or to show the premises to prospective tenants, purchasers, or mortgagees.

INDEMNIFICATION: Owner shall not be liable for any damage or injury to Tenant, or any other person, or to any property, occurring on the premises, or any part  
 thereof, or in common areas thereof, unless such damage is the proximate result of the negligence or unlawful act of Owner, his agents, or his employees. Tenant agrees  
 to hold Owner harmless from any claims for damages and no matter how caused, except for injury or damages for which Owner is legally responsible.

POSSESSION: If Owner is unable to deliver possession of the premises at the commencement hereof, Owner shall not be liable for any damage caused thereby, nor  
 shall this agreement be void or voidable, but Tenant shall not be liable for any rent until possession is delivered. Tenant may terminate this agreement if possession is not  
 delivered within One days of the commencement of the term hereof.

DEFAULT: If Tenant shall fail to pay rent when due, or perform any term hereof, after not less than three (3) days written notice of such default given in the manner  
 required by law, the Owner, at his option, may terminate all rights of Tenant hereunder, unless Tenant, within said time, shall cure such default. If Tenant abandons or  
 vacates the property, while in default of the payment of rent, Owner may consider any property left on the premises to be abandoned and may dispose of the same in  
 any manner allowed by law. In the event the Owner reasonably believes that such abandoned property has no value, it may be discarded. All property on the premises is  
 hereby subject to a lien in favor of Owner for the payment of all sums due hereunder, to the maximum extent allowed by law.

In the event of a default by Tenant, Owner may elect to (a) continue the lease in effect and enforce all his rights and remedies hereunder, including the right to recover  
 the rent as it becomes due, or (b) at any time, terminate all of Tenant's rights hereunder and recover from Tenant all damages he may incur by reason of the breach of the  
 lease, including the cost of recovering the premises, and including the worth at the time of such termination, or at the time of an award if suit be instituted to enforce this  
 provision, of the amount by which the unpaid rent for the balance of the term exceeds the amount of such rental loss which the tenant proves could be reasonably avoided.

SECURITY: The security deposit set forth above, if any, shall secure the performance of Tenant's obligations hereunder. Owner may, but shall not be obligated to, apply  
 all or portions of said deposit on account of Tenant's obligations hereunder. Any balance remaining upon termination shall be returned to Tenant.

DEPOSIT REFUNDS: The balance of all deposits shall be refunded within two weeks from date possession is delivered to Owner or his Authorized Agent, together with  
 a statement showing any charges made against such deposits by Owner.

ATTORNEYS FEES: In any legal action brought by either party to enforce the terms hereof or relating to the demised premises, the prevailing party shall be entitled to  
 all costs incurred in connection with such action, including a reasonable attorney's fee.

WAIVERS: No failure of Owner to enforce any term hereof shall be deemed a waiver, nor shall any acceptance of a partial payment of rent be deemed a waiver of  
 Owner's right to the full amount thereof.

NOTICES: Any notice which either party may or is required to give, may be given by mailing the same, postage prepaid, to Tenant at the premises or to Owner at the  
 address shown below or at such other places as may be designated by the parties from time to time.

HEIRS, ASSIGNS, SUCCESSORS: This lease is binding upon and inures to the benefit of the heirs, assigns and successors in interest to the parties.  
 TIME: Time is of the essence of this agreement.

HOLDING OVER: Any holding over after expiration hereof, with the consent of Owner, shall be construed as a month-to-month tenancy in accordance with the terms  
 hereof, as applicable. No such holding over or extension of this lease shall extend the time for the exercise of the option unless agreed upon in writing by Owner.

PEST CONTROL INSPECTION: The main building and all attached structures to be inspected by a licensed pest control operator. Tenant to pay for inspection. Owner to pay  
 for: (1) Elimination of infestation and/or infection of wood-destroying pests or organisms, (2) For repair of damage caused by such infestation and/or infection or by  
 excessive moisture, (3) For correction of conditions which caused said damage and (4) For repair of plumbing and other leaks affecting wood members, including repair of  
 leaking stall showers, in accordance with said pest control operator's report.

Owner shall not be responsible for any work recommended to correct conditions usually deemed likely to lead to infestation or infection of wood-destroying pests or organisms,  
 but where no evidence of active infestation is found with respect to such conditions.

If the inspecting pest control operator shall recommend further inspection of inaccessible areas, Tenant may require that said areas be inspected. If any infestation or  
 infection shall be discovered by such inspection, the additional cost of such inspection and additional required work shall be paid by Owner. If no such infestation or infection  
 is discovered, the additional cost of inspecting such inaccessible areas shall be paid by Tenant.

Funds for work to be done at Owner's expense shall be held in escrow and disbursed by escrow holder upon receipt of proof of completion of said work or upon close of  
 escrow, whichever occurs later.

As soon as the same are available, copies of the report and any certification or other proof of completion of the work shall be delivered to the agents of Tenant and Owner who  
 are authorized to receive the same on behalf of their principals.

Owner reserves the right to perform all or part of the work in accordance with above pest control operator's report, provided that, upon completion of Owner's work, the  
 property be re-inspected by a licensed pest control operator at Owner's expense and the report recommends no further work.

CONTINUED ON REVERSE SIDE



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OPTION: So long as tenant is not in substantial default in the performance of any term of this lease, Tenant shall have the option to purchase the real property described herein for a PURCHASE PRICE OF \$ 85,000.00 ( Eighty-Five Thousand and No/100 DOLLARS) upon the following TERMS AND CONDITIONS:

Seller's equity payable in cash at closing. Lessee to be granted the right to paint interior of home, clean up grounds and remove debris from property (with the exception of metal and steel which is to be salvaged by owner within 60 days of possession by lessee), construct corral on rear portion of property, install water softening system—prior to close of sale.

Lessee (Purchaser) agrees to apply for new financing by January 1, 1985, if an assumption of the existing loan is not possible.

Lessee to issue check to Mr. and Mrs. Harold Hotchkiss in the amount of \$2,863.18; these funds to be released to Mr. and Mrs. Hotchkiss immediately upon their acceptance of this offer.

Seller to replace shower stall in master bath; seller to replace door casing in second bath. These repairs to be made within 60 days of possession by Lessee.

DISCLAIMER: The parties acknowledge that speculation of availability of financing, purchase costs, and lender's prepayment penalties is impossible. Therefore, the parties agree that these items shall not be conditions of performance of this agreement and the parties agree they have not relied upon any other representations or warranties by brokers, sellers, or other parties.

FIXTURES: All improvements, fixtures, attached floor coverings, draperies including hardware, shades, blinds, window and door screens, storm sash, combination doors, awnings, outdoor plants potted or otherwise, trees, and items permanently attached to the real property shall be included, free of liens, unless specifically excluded.

PERSONAL PROPERTY: The following personal property, on the premises when inspected by Tenant, shall be included in the purchase price and shall be transferred by a Warranty Bill of Sale to Tenant at close of escrow. Range, pool table, underground gas tank and electric pump

ENCUMBRANCES: In addition to any encumbrances referred to above, Tenant shall take title to the property subject to: (1) Real Estate Taxes not yet due and 2) Covenants, conditions, restrictions, reservations, rights, rights of way and easements of record, if any, which do not materially affect the value or intended use of the property.

The amount of any bond or assessment which is a lien shall be ☒ paid, ☐ assumed by seller

EXAMINATION OF TITLE: Fifteen (15) days from date of exercise of this option are allowed the Tenant to examine the title to the property and to report in writing any valid objections thereto. Any exceptions to the title which would be disclosed by examination of the records shall be deemed to have been accepted unless reported in writing within said 15 days. If Tenant objects to any exceptions to the title, Owner shall use all due diligence to remove such exceptions at his own expense within 60 days thereafter. But if such exceptions cannot be removed within the 60 days allowed, all rights and obligations hereunder may, at the election of the Tenant, terminate and end, unless he elects to purchase the property subject to such exceptions.

EVIDENCE OF TITLE: Evidence of Title shall be in the form of ☒ a policy of title insurance, ☐ other: to be paid for by seller

CLOSING COSTS: Escrow fees, if any, and other closing costs shall be paid in accordance with local custom, except as otherwise provided herein.

CLOSE OF ESCROW: Within 30 days from exercise of the option, or upon removal of any exceptions to the title by the Owner, as provided above, whichever is later, both parties shall deposit with an authorized escrow holder, to be selected by the Tenant, all funds and instruments necessary to complete the sale in accordance with the terms and conditions hereof. The representations and warranties herein shall not be terminated by conveyance of the property.

PRORATIONS: Rents, taxes, premiums on insurance acceptable to Tenant, interest and other expenses of the property to be prorated as of recordation of deed. Security deposits, advance rentals or considerations involving future lease credits shall be credited to Tenant.

EXPIRATION OF OPTION: This option may be exercised at any time after March 5, 1983, and shall expire at midnight March 5, 1985, unless exercised prior thereto. Upon expiration Owner shall be released from all obligations hereunder and all of Tenant's rights hereunder, legal or equitable, shall cease.

EXERCISE OF OPTION: The option shall be exercised by mailing or delivering written notice to the Owner prior to the expiration of this option and by an additional payment, on account of the purchase price, in the amount of \$0 DOLLARS)

\$ 0 for account of Owner to the authorized escrow holder referred to above, prior to the expiration of this option.

Notice, if mailed, shall be by certified mail, postage prepaid, to the Owner at the address set forth below, and shall be deemed to have been given upon the day following the day shown on the postmark of the envelope in which such notice is mailed.

In the event the option is exercised, the consideration paid for the option and 0 percent from the rent paid hereunder prior to the exercise of the option shall be credited upon the purchase price.

The undersigned Tenant hereby acknowledges receipt of a copy hereof.

BY Realty World - Rookstool-Hansen Real Estate Company  
Darlene Cain/Al Stone Agent  
 Broker's Initials: \_\_\_\_\_ Dated: \_\_\_\_\_  
4747-A So. 6th St., Klamath Falls, Ore. Address  
883-3781 Phone

### ACCEPTANCE

The undersigned Owner accepts the foregoing offer.

Rookstool Hansen RE, the Agent is in this transaction, the Agent in this transaction, DOLLARS)

BROKERAGE FEE: Upon execution hereof the Owner agrees to pay to 1000.00 out of the second payment of the option consideration DOLLARS)

\$ 1000.00 of the option consideration for securing said option plus the sum of 1000.00 consideration DOLLARS)

for leasing services rendered and authorizes Agent to deduct said sum from the deposit received from Tenant. In the event the option is exercised, the Owner agrees to pay Agent the additional sum of 300.00 DOLLARS)

This agreement shall not limit the rights of Agent provided for in any listing or other agreement which may be in effect between Owner and Agent. In the event legal action is instituted to collect this fee, or any portion thereof, the Owner agrees to pay the Agent a reasonable attorney's fee and all costs in connection with such action.

The undersigned Owner hereby acknowledges receipt of a copy hereof.

1690 S. 3rd Space #6 Address  
Klamath Falls, Oregon 97630 Phone  
 STATE OF OREGON: COUNTY OF KLAMATH :ss  
 I hereby certify that the within instrument was received and filed for record on the 10th day of March, A.D., 1983 at 3:26 o'clock P M, and duly recorded in Vol M83, of Deeds on page 3713  
 EVELYN BIEHN COUNTY CLERK  
 by Bernetha L. Smith Deputy

Fee \$ 8.00