

RESIDENTIAL LEASE
WITH PURCHASE OPTION AGREEMENT

This Lease/Purchase Agreement, made and entered into this 17th day of May, 1983, by and between David Haldane Harris, hereinafter called the seller, and Richard W. and Carol S. Boerger, hereinafter called the buyers.

For in consideration of \$1.00 to be paid to seller this date, the buyer and seller shall enter into this agreement.

Seller agrees to sell his real property located at 724 Mt. Pitt Street, Klamath Falls, Oregon, and is legally described to-wit:

the northerly 73 feet of lots 3 & 4, block 14, Buena Vista Addition to the City of Klamath Falls, in the County of Klamath, State of Oregon,

to the buyers for the purchase price of \$56,500.00. The sale of this property shall be contingent on the following terms and conditions:

1. Buyers are to lease the subject property for \$400.00 per month beginning July 1, 1983, with a final lease payment due on June 1, 1984. These twelve monthly payments shall be due on the first day of each month and shall be paid at Alaska, U. S. A., Federal Credit Union, Pouch 6613, Anchorage, Alaska 99502, Account number 60910 S-1.

Payments must be made within 10 days of the first day of each month. If buyers fall 60 days in arrears, they will be considered to be in default, which will nullify this contract and all ownership will revert back to the seller.

2. Lease payments over the 12-month lease period will total \$4,800, of which \$1,695.00 will be applied as principal reduction to the purchase price. The remaining balance owed to the seller as of 7-1-84 will be \$54,805.

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3. On or near July 1, 1984 the buyers shall complete the purchase of the home by assuming the principal balance owing on the seller's loan (owed to the State Department of Veteran Affairs), and then paying the seller his equity. Seller's equity will be the difference between the residual selling price of \$54,805.00, and the remaining balance left on the DVA loan.

The following chart reiterates approximately the total purchase transaction.

| | |
|--|---------------|
| Purchase price of real property | \$56,500 |
| Less lease payments applied to principal reduction | <u>-1,695</u> |
| Residual purchase price | \$54,805 |
| Approximate principal balance then owing DVA on 7-1-84 | \$48,920 |
| Approximate equity balance owing to seller on 7-1-84 | \$ 5,885 |

4. Buyer and seller agree that the actual purchase transaction could suffer delays beyond July 1, 1984. For every day that the purchase is delayed beyond July 1, 1984, the buyers would pay the seller \$13.15 per day. These payments would be due to the seller on the first of every month beginning August 1, 1984. If the buyers are unable to complete the transaction by October 1, 1984, this agreement will be nullified, and all ownership in the property will revert back to the seller.

5. The seller shall be responsible for paying all scheduled principal/interest payments to the DVA, as well as all accrued taxes and hazard insurance during the lease period. Whereas the buyers are prepaying the lease payments, the seller would pay all accrued interest, taxes and insurance on a monthly basis up through June 30, 1984.

6. The purchase price includes all the curtains, fixtures, dishwasher, refrigerator, range, clothes washer and dryer, and water heater as they now appear in the house.

7. The buyers are to keep the real property in good condition and repair. All maintenance and repair costs are to be paid by the buyers.

8. Buyers will be allowed to make improvements to the property during the lease period.

9. This lease purchase agreement is subject to the approval of the Department of Veteran Affairs.

10. The buyers have the option to exercise the purchase transaction at any time after December 1, 1983. If the buyers choose to exercise the purchase transaction between December 1, 1983 and July 1, 1984, the total amount of lease payments applied to the principal balance of the purchase price will still total \$1,695.00.

11. Any modification of this agreement would require written approval of buyers, seller and the DVA.

12. Buyer and Seller agree to equally share all closing costs when the option is exercised. Seller agrees to pay off lien owing Pacific Power and Light Company when the option is exercised.

In witness whereof, the parties hereto have hereunto set their hands on this document, the day and year first hereinabove written.

David Haldane Harris
Seller - David Haldane Harris

Richard W. Boerger
Buyer - Richard W. Boerger

Carol S. Boerger
Buyer - Carol S. Boerger

per attached letter
Acknowledgment by the Oregon
Department of Veteran Affairs

FORM NO. 23 — ACKNOWLEDGMENT
STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

STATE OF OREGON,

County of Klamath } ss.

BE IT REMEMBERED, That on this 17th day of May, 19 83 before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named David Haldane Harris, Richard W. Boerger and Carol S. Boerger

known to me to be the identical individual s described in and who executed the within instrument and acknowledged to me that they executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Caroline H Marshall
Notary Public for Oregon.
My Commission expires 2-9-86

7707



Department of Veterans' Affairs
FARM AND HOME LOANS

124 NORTH 4th, KLAMATH FALLS, OREGON 97601

May 13, 1983

Return

David H. Harris
724 Mt. Pitt Street
Klamath Falls, Or. 97601

HARRIS, DAVID H.
P43957

Your request for approval of the residential lease with purchase option has been approved for the period from July 1, 1983 to June 1, 1984.

Should conditions of the agreement change, significantly, please advise us.

Chuck Mateson
CHUCK MATESON
Loan Officer
883-5673

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D.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record . . .

this 17th day of May A. D. 19 83 at 1:47 o'clock P. M., and
duly recorded in Vol. M83, of Deeds on Page 7704

EVELYN BIEHN, County Clerk

By *[Signature]*

Fee \$16.00