

AFTER RECORDING RETURN TO:

26644  
Douglas V. Osborne  
Osborne & Spencer  
Attorneys at Law  
439 Pine Street  
Klamath Falls, OR 97601

Vol. 183 Page 12970

### LEASE-OPTION

By this agreement entered into on 2<sup>nd</sup> day of July, 1983, between ELMER R. BILYEU, as Lessor, and THERON FOOTE, as Lessee, Lessor leases to Lessee the premises situated at Sprague River, Oregon and more particularly described in Exhibit "A" attached hereto, together with all appurtenances including the mobile home on said premises for a term of thirteen (13) months commencing on the date of this agreement.

### RENT

Lessee agrees to pay as rent for the demised premises a sum equal to the mortgage payment (currently \$265.00) with the Department of Veterans Affairs, State of Oregon each month during the term of said lease. (Said sum being the agreed reasonable rental value, along with other consideration, of the demised premises.) Lessee may pay said mortgage payments directly to the State of Oregon and receive credit from Lessor for the same.

### SECURITY DEPOSIT

On execution of this lease, Lessee deposits with Lessor FIVE THOUSAND DOLLARS AND 00/100 (\$5,000.00) receipt of which is acknowledged by Lessor, as security for the faithful performance by Lessee of the terms hereby to be returned to Lessee without interest, on full and faithful performance by him of the provisions hereof.

### QUIET ENJOYMENT

Lessor covenants that on paying the rent and performing the

covenants herein contained, Lessee shall peacefully and quietly have, hold, and enjoy the demised premises for the agreed term.

#### USE OF PREMISES

The demised premises shall be used and occupied by Lessee as a private single family residence. Lessee shall comply with all the sanitary laws, ordinances, rules, and orders of appropriate governmental authorities affecting the cleanliness, occupancy, and preservation of the demised premises, during the term of this lease.

#### DAMAGE TO PREMISES

If the demised premises, or any part thereof, shall be damaged by fire or other casualty Lessor agrees that all insurance proceeds shall be used to replace or repair the demised premises including the mobile home.

#### UTILITIES, TAXES, AND INSURANCE

During the term of this lease Lessee shall be responsible for all utilities, taxes, and insurance premiums falling due after the date of this agreement.

#### OPTION TO RENEW AGREEMENT

At the end of the term provided above, Lessor grants to Lessee an option to renew this agreement for one additional term upon the payment of TEN DOLLARS AND 00/100 (\$10.00) as consideration.

#### OPTION TO PURCHASE

During the term of this agreement or an extension thereof, as provided above, Lessor in consideration of the sum of ONE THOUSAND DOLLARS AND 00/100 (\$1,000.00) does hereby grant to Lessee the right to purchase the demised premises with all improvements thereon, including the mobile home situated on the premises,

for the sum of THIRTY-SEVEN THOUSAND FIVE HUNDRED DOLLARS & 00/100 (\$37,500.00). In the event Lessee elects to purchase during said term, the \$1,000.00 shall be credited to the purchase price. Conveyance of title shall be by good and sufficient warranty deed and shall be subject only to the unpaid balance of the mortgage referred to above.

# BINDING EFFECT

The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, and assigns of the parties hereto, and all covenants are to be construed as conditions of this lease.

STATE OF

County of

NOTARY PUBLIC

STATE OF OREGON

)  
) ss.  
)

*Elmer R. Bilyeu*  
LESSOR (ELMER R. BILYEU)  
*Vivian L. Bilyeu*

Personally appeared the above named ELMER R. BILYEU and acknowledged the foregoing instrument to be his voluntary act and deed.

BEFORE ME:

*Mary B. Osborn*  
NOTARY PUBLIC FOR  
My Commission Expires: 1984

STATE OF OREGON

County of Klamath

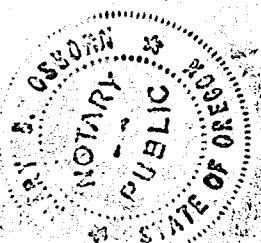
)  
) ss.  
)

*Theron Foote*  
LESSEE (THERON FOOTE)

Personally appeared the above named THERON FOOTE and acknowledged the foregoing instrument to be his voluntary act and deed.

BEFORE ME:

*Mary B. Osborn*  
NOTARY PUBLIC FOR OREGON  
My Commission Expires: 1984



## EXHIBIT "A"

Lots 14 and 15, Block 42, FIRST ADDITION TO KLAMATH FOREST ESTATES, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

## SUBJECT TO:

Reservations and restrictions contained in deed from United States of America to James F. Coburn, et al., dated June 8, 1959, recorded June 8, 1959, in Volume 313, page 275, Deed Records of Klamath County, Oregon, as follows: "...title to the above described property is conveyed subject to any existing easements for public pipe lines and for any other easements or rights of way of record; and there is hereby reserved any and all roads, trails, telephone lines, etc., actually constructed by the United States, with the rights of the United States to maintain, operate or improve the same so long as needed for or by the United States. (Dept. Instr., January 13, 1916, 44 L.D. 513)."

STATE OF OREGON, )  
County of Klamath )  
Filed for record at request of

on this 5 day of AUG A.D. 19 83  
at 4:19 o'clock P M, and duly  
recorded in Vol. M83 of DEEDS  
Page 12970  
By EVELYN BIEHN, County Clerk  
By [Signature] Deputy  
Fee 16.00

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