

the sum of \$ 1,000.00 (One thousand and no/100) hereinafter referred to as Tenant,
X evidenced by _____ DOLLARS)
of the premises, hereinafter referred to as Owner, shall apply said deposit as follows:
Non-refundable option deposit to be delivered to _____ as a deposit which, upon acceptance of this Lease, the Owner
Seller/Lessor on execution of this agreement.
Non-refundable option consideration
Rent for the period from Aug 10, 1985 to Sept. 10, 1985 \$ 1,000.00 PAYABLE PRIOR TO OCCUPANCY
Last month's rent \$ 450.00
Security Deposit \$ 450.00
Other \$
TOTAL \$ 1,000.00

In the event that this agreement is not accepted by the Owner or his authorized agent, within one 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 S2 of lots 6 & 7 Blk 94 Klamath Addn. AKA 435 So 6th St.
Wood stove, Overhead hoist, some shelving & Gondolas will be removed from
premises prior to occupancy.
and consisting of lot, approx 5000 sq ft bldg... in ground hoist, some shelving
upon the following TERMS and CONDITIONS:

TERM: The term hereof shall commence on August 10, 1985, and continue for a period of 12 months thereafter
RENT: Rent shall be \$ 450.00 per month, payable in advance, upon the 10th day of each calendar month to Owner or
his authorized agent, at the following address: 2411 Pinegrove Rd, Klamath Falls, OR 97603
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: no exceptions
USE: The premises shall be used as an auto body & repair shop & compatible business
PETS: No pets shall be brought on the premises without the prior consent of the Owner.
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 SUBLITTING: Tenant shall not assign this agreement or sublet a small part of bldg. to general
auto mechanic.

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. Tenant to be responsible for all glass breakage.

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 all 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 ten (10) 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.
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 correction of conditions which caused said damage and (4) For repair of plumbing and other leaks affecting wood members, including repair of
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 by
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

SELLER/LESSOR to allow BUYER/LESSOR to install a commercially built painting room, at lessor's expense, which will be paid for in cash on installation, so as to protect lessor from any liens. Such improvements will become a part of the real estate & remain if option is not exercised.

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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 \$65,000.00 (Sixty-five thousand and no/100 DOLLARS) upon the following TERMS AND CONDITIONS:

Buyer & Seller to enter into a contract wrapping the underlying balance. Total downpayment to be \$10,000. Balance of \$55,000.00 payable at \$591.03 per month including 10% interest per annum. First payment due 30 days from close of escrow. Buyer to pay taxes & insurance & show proof of same to seller. Property will be conveyed in as is condition on exercise of option.

Lessor to pay property taxes & hazzard insurance on real property during the term of the lease period.

Lessee to pay his own personal property taxes & personal property & liability insurance during lease period.

Seller makes no representation as to zoning, buyer should check on zoning.

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. Inground hoist, attached carpeting, some shelving

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.

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 10 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 Aug. 10, 1985, and shall expire at midnight Aug. 10, 1986, 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 \$1,000.00 (One thousand and no/100 DOLLARS) 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.

Buyer/Lessee to have one day to accept this agreement & deposit \$1,000.00.

The undersigned Tenant hereby acknowledges receipt of a copy hereof.

BY Holman Realty, Inc. Real Estate Company
Jim Leard Agent
Dated: 2 July 1985
Idella M. Edgar
Broker's Initials: Dated: 2 July 1985
4729 South Sixth Street Address: 4981 Summers Lane
884-1343 Phone: 882-0650

ACCEPTANCE

The undersigned Owner accepts the foregoing offer.

BROKERAGE FEE: Upon execution hereof the Owner agrees to pay to Realty World Rookstool-Hansen Real Estate Co. 4747-A So 6th Street Klamath Falls, Oregon D. Madden 7-2-85 the Agent in this transaction, 50% of the option consideration for securing said option plus the sum of \$ none 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 \$ 3,400.00 (Thirty-four hundred and no/100 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. If option is extended brokerage fee will be paid whenever sale is consummated.

The undersigned Owner hereby acknowledges receipt of a copy hereof.

261 2411 Pinegrove Rd. K Falls, OR Address: Mary Turner
882-1487 Phone: Owner
Owner

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STATE OF OREGON,

County of Klamath

ss.

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

BE IT REMEMBERED, That on this 3rd day of October, 19 85,
before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within
named Idella M. Edgar

known to me to be the identical individual described in and who executed the within instrument and
acknowledged to me that She 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.

Pam Smith

Notary Public for Oregon.

My Commission expires 10-8-88

Ret: Idella M. Edgar
435 So. 6th
KFO 97601

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the 3rd day
of October A.D., 19 85 at 9:47 o'clock A M., and duly recorded in Vol. M85,
of Deeds on Page 16043.

FEE \$13.00

Evelyn Biehn,
By

County Clerk

Pam Smith