

TO 863:12

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LEASE

THIS AGREEMENT, entered into on March 31, 1988, by and between Allen Carter and Marguerite J. Carter, Husband and Wife, lessor, and Lawrence Matzker and Susan Metzker, Husband and Wife, lessee; WITNESSETH: That the said lessor in consideration of the covenants herein mentioned, does hereby lease unto the said lessee, business executors or administrators, for a period of 5 (five) years from May 1, 1988, to and including April 30, 1993, the following described premises, to-wit:

those certain premises or storeroom formerly occupied by Hodges Grocery and a restaurant in a building known as the Hodges Building being a parcel of land extending along the south side of East Front Street, Merrill, Oregon. Beginning at a point which is 40 feet South and 277 feet East of the corner common to Sections 1,2,11 and 12, Township 41 South, Range 10 East, W.M., such point being the true point of beginning, thence East along the South line of Front Street in the City of Merrill a distance of 155 feet, thence South to the North bank of Lost River, thence Southwesterly along said river to a point lying South of the true point of beginning, thence North to the true point of beginning. With the building thereon, to be used and occupied by the Lessee for the purpose of carrying on and conducting a grocery store and meat market, together with customer parking. Said land being subject to easements of the City of Merrill and Pacific Power and Light Co.

and the said lessee does hereby promise and agree to pay said lessor therefor the rent following, to-wit:

The rent from and after May 1, 1988 shall be \$9600.00 per year every year, payable at \$800.00 the first day of every month commencing May 1, 1988. Any adjustments made in the lease payments shall be added to the total lease payment. Any increase in property taxes and assessments over fiscal tax year 1988-89, which will be considered the base year, will be borne by the Lessee and shall be payable in a lump sum on or before December 1st. of each year of said term upon proper billing by the Lessor. Any major improvements agreed to by the participants of this lease agreement shall be negotiated prior to said improvements to determine additional rent to be paid by the Lessee.

payable on the 1st day of every month commencing May 1, 1988 and to return said premises at the expiration of said time in as good order and condition as they are now in, reasonable wear and tear, fire and unavoidable casualties excepted.

Any holding over by the lessee after the expiration of the term of this lease, or any extension thereof, shall be as a tenancy from month to month and not otherwise.

IN WITNESS WHEREOF, said parties have executed this agreement in duplicate on March 31, 1988

Allen Carter Lessor
Marguerite J. Carter
Lawrence Matzker Lessee
Susan Metzker

State of Oregon, County of Klamath ss.
Personally appeared the above named

foregoing instrument to be voluntary act and deed. Dated 19

(SEAL)

Before me:

Notary Public for My Commission expires

NOTE—This form is not suitable for leasing a "dwelling unit" as defined in ORS 91.705(3) as follows: "Dwelling unit" means a structure or the part of a structure that is used as a home, residence or sleeping place by one person who maintains a household or by two or more persons who maintain a common household." (See forms Nos. 244, 760, 818).

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Susan Metzker the 12th day of April, 1988 at 11:08 o'clock A.M., and duly recorded in Vol. M88 of Deeds on Page 5486.

FEE \$5.00 & 1.00 for c.c.

By: metzker
Merrill, Ore.

Evelyn Biehn County Clerk
By: [Signature] Deputy