

RENTAL AGREEMENT Made in duplicate this K-41343 5th day of June, 1989, by and between FARM CREDIT BANK OF SPOKANE, a corporation, with its office and principal place of business at Spokane, Washington (Lessor), and ARTHUR E. EVANS (Lessee);

W I T N E S S E T H:

For and in consideration of the payment of the rents and the performance of the terms of Lessee's covenants herein contained, Lessor does hereby demise and let unto Lessee and Lessee hires from Lessor those certain premises described as follows:

The potato cellar and surrounding four acres situated in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 11, Township 41 South, Range 12 E.W.M., Klamath County, Oregon,

for a period of time ending April 1, 1990, with no rental payments required from Lessee.

1. Lessee shall not violate any county ordinance or state law in or about said premises.

2. Lessee may sublet the premises, or any part thereof for a period of time not exceeding the term of this Agreement.

3. If Lessee fails to comply with any term or condition hereof, Lessor at Lessor's option, and after proper written notice, may terminate this tenancy.

4. Lessee shall maintain premises in a clean and sanitary condition at all times, and upon termination of the tenancy shall surrender same to Lessor in good condition, ordinary wear and tear and damage by the elements excepted.

5. Lessee shall pay for any and all required utilities.

6. Lessor shall pay all real property taxes assessed on the property.

7. Lessee agrees to assume all liability for, and to hold Lessor harmless from, all damages and all costs and fees in the defense thereof, caused by the negligence or willful act of Lessee or Lessee's invitees or guests, in or upon any part of the premises, and to be responsible for any damage or breakage to Lessee's equipment, fixtures or appliances therein or thereon, not caused by Lessor's misconduct or willful neglect.

8. Nothing herein shall be construed as waiving any of the rights provided by law of either party hereto.

9. In event any suit or action is brought to enforce any provision of this Agreement or to repossess said premises, reasonable attorney's fees may be awarded by the trial court to the prevailing party in such suit or action together with costs and necessary disbursements; and on appeal, if any, similar reasonable attorney's fees, costs and disbursements may be awarded by the appellate court to the party prevailing on such appeal.

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10. Lessor, after 24 hours' written notice specifying the causes, may immediately terminate the rental agreement and take possession in the manner provided in ORS 105.105 to 105.165, if: (a) the tenant or someone in the tenant's control seriously threatens immediately to inflict personal injury, or inflicts any substantial personal injury, upon the landlord or other tenants; (b) the tenant or someone in the tenant's control intentionally inflicts any substantial damage to the premises; (c) the tenant has vacated the premises, the person in possession is holding contrary to a written rental agreement that prohibits subleasing the premises to another or allowing another person to occupy the premises without the written permission of the landlord, and the landlord has not knowingly accepted rent from the person in possession; or (d) the tenant or someone in the tenant's control commits any act which is outrageous in the extreme.

11. Upon termination of this Agreement or surrender or abandonment of the premises, and it reasonably appears to Lessor that Lessee has left property upon the premises with no intention of asserting further claim to such property or premises, or if Lessee has been continuously absent for seven (7) days after termination of tenancy by a court order which has not been executed, or if Lessor elects to remove such property pursuant to ORS 91.840(1) Lessor may give Lessee not less than fifteen (15) days written notice by first class, certified or registered mail endorsed "Please Forward", to Lessee's last known address and to any alternate address of Lessee known to Lessor, that the property is considered abandoned and unless the property is removed from premises or place of safekeeping by a date specified in the notice, the property will be sold or otherwise disposed of and the proceeds of sale, if any, applied as provided by law.

12. The agent for service is Farm Credit Services, 900 Klamath Avenue, P.O. Box 148, Klamath Falls, Oregon 97601, phone: (503) 884-6476.

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

14. If this becomes a month-to-month tenancy only, then, except as otherwise provided by statute, this Agreement may be terminated by either party giving the other at anytime not less than 30 days' notice in writing prior to the date designated in the tenancy termination notice, whereupon the tenancy shall terminate on the date designated.

15. Lessee further agrees that failure by Lessor at any time to require performance by Lessee of any provision hereof shall in no way affect Lessor's right hereunder to enforce the same, nor shall any waiver by Lessor of any provision hereof be held to be waiver of any succeeding breach of any provision, or as a waiver of the provision itself.

16. No personal property is included and to be left upon the premises when tenancy is terminated.

17. The carrying of insurance against fire or other risk on the Premises and personalty shall be issued by reputable insurance companies licensed to do business in the State of Oregon, shall name Lessor as the insured, and shall be the responsibility of the respective parties as follows:

a. The Lessor shall keep the Premises insured throughout the term of this Lease against loss or damage by fire and such other risks as may be included in the broadest form of extended coverage insured in such amount as Lessor shall determine in Lessor's absolute discretion.

b. Lessee shall maintain insurance against loss or damage by fire on Lessee's personal property, equipment, fixtures and inventories, at Lessee's expense, in such amounts as Lessee shall choose, and Lessor shall be under no obligation to Lessee to insure the same.

18. Lessee shall maintain insurance against loss or damage by fire on Lessee's personal property, equipment, fixtures and inventories, at Lessee's expense, in such amounts as Lessee shall choose, and Lessor shall be under no obligation to Lessee to insure the same.

19. Lessee has examined the premises and agrees that no representations of any kind have been made by Lessor, or any representative of Lessor, with respect to the condition of said premises not contained in this Agreement. Lessee is renting the premises described in this Agreement as is in its present condition, accepts it as such, and requires no work of any kind to be done on said premises by Lessor. Lessee accepts the premises as it now is. Prior to the execution of this Agreement, Lessee apprised Lessee of sufficient relative data, either through experts or other sources of Lessee's own selection, in order Lessee might intelligently exercise Lessee's own judgment in deciding upon whether to enter into this Agreement. Lessee's decisions are not based on, or influenced by, any declarations or representations of Lessor, or its agents, employees, or attorneys.

20. Lessee expressly waives any notice required by ORS 105.105 through ORS 105.165, including, without limiting the generality of the foregoing, specifically waives ORS 105.120 pertaining to farming or agricultural leasing or occupation.

21. Lessee has read this Agreement and all the stipulations contained in this Agreement and Lessee agrees no promises have been made to Lessee except as contained in this Agreement.

22. Pronouns used in this Agreement shall be construed in accordance with the appropriate gender or neuter, and as either singular or plural as the context requires.

23. All covenants, terms and provisions of this Agreement are severable, and in event any shall be held to be invalid by any competent Court, this Agreement shall be interpreted as though said invalid covenants, terms, or provisions were not contained herein.

24. This Agreement shall bind, and inure to the benefit of, the heirs, successors, personal representatives, and assigns of Lessor and Lessee, respectively, subject to the limitation of assignment by Lessee.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate the day and year first above written and Lessee, by affixing his signature hereto, acknowledges receipt of one copy of the executed documents.

LESSEE

Arthur E. Evans
ARTHUR E. EVANS

LESSOR

FARM CREDIT BANK OF SPOKANE

By: Steen Keady
Assoc. Credit Officer
(Name & Title)

WHEN RECORDED MAIL TO:

GIACOMINI & KNIIPS
ATTORNEYS AT LAW
635 MAIN STREET
KLAMATH FALLS, OREGON 97601

STATE OF OREGON

County of Klamath } ss:
I certify that the within
instrument was received for record
on the 6th day of June,
19 89, at 11:09 o'clock A M., and
recorded in Book M89 on Page
9945 or as filing fee number
1053.

Record of Deeds of said County.
Witness my hand and seal of
County affixed.

Evelyn Biehn

County Clerk

Title

BY: Pauline Muelendare Deputy

Fee \$23.00