

OT. 8787

Vol. 89 Page 23683

THIS AGREEMENT, Made and entered into this 28 day of November, 19 89, by and between Gertrude E. Larimer hereinafter called the first party (whether singular or plural), and Albert J. and Cynthia L. Fuller, hereinafter called the second party,

WITNESSETH: In consideration of the covenants herein contained to be kept and performed by second party, first party does hereby lease, demise and let unto the said second party the following described premises situated in the City of Klamath Falls, County of Klamath, Oregon, to-wit:

A parcel of land situate in the NE1/4 of the NE1/4 of Section 15, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County Oregon.

Tax Account No.: 3909 015AA 10200

known as 4816 Summers Lane, for a term beginning January 1, 1990, and ending at midnight on December 31, 1992, at and for a rental of \$300.00 per Month during said term, payable in advance in lawful money of the United States to the order of the first party at the following address 3325 Hope St. Klamath Falls, Oregon 97603, as follows:

Payment will be made no later than the 5th of each month.

In addition to the following, there will be no animals permitted on said premises during the term of this lease.

No repairs, additions, improvements or alterations in and to said premises to be made by second party without written consent from first party.

(See other side)

The respective parties hereto agree to the following terms and conditions:

(a) At the beginning of this lease, the said premises shall be equipped at first party's expense with electric wiring and plumbing facilities capable of producing hot and cold running water and adequate heating facilities.

(b) The second party expressly agrees to pay said rents at the times and place aforesaid; to use said premises for residential purposes and no other purposes without first party's consent; to make no unlawful or offensive use of said premises; not to suffer or permit any waste or strip thereof; not to make any alterations or improvements upon said premises or assign this lease or sublet said premises or any part thereof, or permit any other person to occupy the same without first party's written consent first obtained; to comply with all laws, ordinances and regulations of any public authority respecting the use of said premises; promptly to pay for all heat, light, water, power and other services or utilities (including garbage disposal) used on said premises; to keep said premises, including all exposed plumbing, heating equipment and apparatus at all times in good repair and to pay for all repairs on said premises during the term of this lease except those which the first party hereinafter specifically agrees to make; to keep the roof of the building on and the sidewalks surrounding said premises free of snow, ice, rubbish and debris during the term hereof; not to commit, permit or create any nuisance on said premises; promptly to replace all glass which may be broken, cracked or damaged in the windows and doors of said premises with glass of as good or better quality than that now in use; to permit entry to the premises to those persons, at such times, for such purposes and upon such notices as set forth under ORS 91.785; to keep said premises free of all mechanic's liens and upon the expiration of said term, or any termination hereof, to quit and deliver up said premises and all future additions to the same, broom-clean, to the first party, peaceably, quietly and in as good order and condition, lease the first party agrees to maintain the exterior walls, gutters, downspouts, unexposed plumbing and foundations of the building on said premises and the sidewalks thereabout in good order and repair; provided, however, that all sums expended by the first party for said purposes shall be reported to the second party in writing within thirty days after each expenditure is made.

(c) In the event of the destruction of the building on said premises from any cause, either party may terminate this lease after ten days written notice of the other, effective as of the date of said destruction; provided, however, that if the damage to said building is more than 40% per cent of its sound value, the first party may or may not elect to restore said building; written notice of first party's said election shall be given the second party within fifteen days after the occurrence of said damage; if such notice is not so given, the first party conclusively shall be deemed to have elected not to restore the building, and the second party forthwith may terminate this lease as of the date of said damage. If the damage to said building does not amount to the extent last indicated, or if the first party elects to restore said building as aforesaid, then the first party shall repair said building with all convenient speed and during said repairs there shall be such an abatement of rent as the nature of the damage and its interference with the occupancy of said leased premises shall warrant.

(d) Time is of the essence of this lease and if said rents shall be in arrears for ten days, or if the second party shall neglect or fail to do or perform any of the covenants herein contained, then the first party, at his option and after proper written notice, may at any time while said default continues, terminate this agreement and take possession of said premises in the manner provided in ORS 105.105 to 105.160.

(e) All repairs, additions, improvements and alterations in and to said premises made by the second party shall be and become the property of the first party as soon as made. Any holding over by the second party after the expiration of this lease shall be deemed a tenancy from month to month only, terminable in the manner provided by law by either party hereto.

(OVER)

79 DEC 7 PM 3 29

(I) OPTION TO SECOND PARTY--At any time while this lease is in full force and effect, except as hereinafter provided, and second party is not in default in his performance hereof, the said first party, for value received, hereby gives and grants unto the second party the sole, exclusive and irrevocable right and option to purchase the above described premises subject to and upon the terms and conditions set forth in the form of purchase agreement hereto attached, at and for a price to be ascertained as follows:

The basic price for said premises shall be the sum of \$ 34,000.00, to and from which shall be made the following additions and deductions, to-wit: To said basic price shall be added (1) the aggregate of the sums expended by the first party and reported in writing by him to the second party between the date of this lease and the exercise of this option, for the maintenance of the exterior walls, gutters, downspouts, unexposed plumbing and the foundations of the building on said premises and the sidewalks thereabout; (2) the aggregate of all fire insurance premiums, all taxes and city, county and district liens on said premises paid by the first party between the date hereof and the exercise of this option; (3) a sum equal to a prorate as of the date hereof of taxes, paid by the first party during the fiscal tax year in which this option is given and covering a period extending to the date

of the exercise of this option, together with (4) a sum equal to interest on said basic purchase price at the rate of 10.75 per cent per annum from the date hereof to the exercise of this option; there shall be deducted from said basic price, (5) the total rents paid by the second party to the first party under said lease and (6) if, between the date of this lease and the exercise of this option, the building on said premises has been destroyed or damaged, there shall also be deducted all sums received or receivable by the first party from any insurance carried by him on said building and not previously expended by him for its repair or restoration.

(1) The net sum so ascertained shall be the option price on said premises.

(2) Time is of the essence hereof and this option shall be null and void and of no force and effect unless exercised by the second party on or before the 31st day of December, 1992, at 5:00 P.M. by notifying the first party of his intent to exercise said option by a writing forwarded to the first party at first party's address stated below; immediately thereafter the parties hereto, following the formula stated above, shall determine the amount of said purchase price and shall execute and deliver an agreement of sale and purchase in the form attached hereto. Contemporaneously with the delivery of said agreement of sale and purchase, the second party shall make the first or down payment stated in said agreement.

(3) Within ten days from the date of said purchase agreement, the first party agrees to deliver to the second party a policy of title insurance insuring in the amount of said selling price marketable title to the above described premises in first party, subject to building restrictions, zoning ordinances, if any, and any liens or incumbrances against said premises to be assumed by second party in said sale; said first party may have a reasonable time to correct any defects of title which may appear.

(4) Should second party fail to exercise his said option, the foregoing lease shall continue until terminated pursuant to its terms.

(g) The first party is the owner of said premises and NA is the manager thereof duly authorized on behalf of the owner to accept service of process and receive and receipt for notices and demands.

(h) This lease and option shall bind and inure to the benefit of, as the circumstances may require, not only the immediate parties hereto but their respective heirs, executors and administrators, the successors and assigns of the first party, and, so far as the terms hereof permit assignment, the successors and assigns of the second party as well.

(i) In construing this lease and option agreement it is understood that the first and second parties, one or both of them, may be more than one person or a corporation and that, therefore, if the context so requires, the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine and the neuter, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to more than one individual.

(j) In the event of any suit or action on this lease and option agreement, reasonable attorney's fees may be awarded by the trial court to the prevailing party in such suit or action, and on appeal, if any, similar reasonable attorney's fees may be awarded by the appellate court to the party prevailing on such appeal.

Monthly payments of \$300.00 beginning January 1, 1990. Payments thru

December 31, 1992 to be applied to down payment, balance to be refinanced

by Albert J. and Cynthia L. Fuller, by that date.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands in duplicate on this, the day and year first hereinabove written.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

3325 Hope St.

First Party's Address

Klamath Falls, OR 97603

Gertrude E. Larimer

Albert J. Fuller

First Party

Cynthia L. Fuller

Second Party

after recording please return to above address

N. B. ATTACH FORM OF CONTRACT [see paragraphs (i) and (j)].

As a form of contract to be attached to the above lease and option, we recommend Stevens-Ness numbers 704, 705, 706, 840, 845 and 854, one of which will lend itself to almost any type of sale and purchase in Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the 7th day of Dec. A.D., 19 89 at 3:29 o'clock PM., and duly recorded in Vol. M89 of Deeds on Page 23683.

FEE \$13.00

Evelyn Biehn, County Clerk

By Pauline M. Mendenhall