

## COMMERCIAL LEASE

This Lease ("Lease") is made this 2nd day of May, 1994, by and between LORI HANNIGAN (hereinafter "Landlord") and ROB FRYLING (hereinafter "Tenant"). In consideration for the mutual promises and covenants contained herein, and for other good and valuable consideration, the parties hereby agree as follows:

1. The Landlord leases to the Tenant, and the Tenant rents from the Landlord the following described premises:

714 East Main Street; Klamath Falls, Oregon

2. The term of the Lease shall be for ten (10) years, commencing May 2, 1994 and ending May 2, 2004.

3. The Tenant shall pay to the Landlord as rent \$4,800.00 per year in equal monthly installments of \$400.00, payable and due on the 2nd day of each month.

4. In the event of Tenant's default of this Lease for any reason, other than written termination by Tenant delivered to Landlord, all accounts receivable and inventory of Western Motors are transferred to Landlord without further obligation.

5. Tenant shall use and occupy the premises only as a business, subject at all times to the approval of the Landlord.

6. The Tenant shall not make any alterations in, additions to, or improvements to, the premises without the prior written consent of the Landlord.

7. The Tenant is liable for his own amenities and utility expenses during the term of this Lease.

8. The Tenant shall maintain, at his own expense, insurance for the premises and shall provide satisfactory evidence thereof to the Landlord and shall continue same in force and effect throughout the Lease term hereof.

9. The Tenant shall not permit or commit waste to the premises.

10. The Tenant shall comply with all rules, regulations, ordinances, codes and laws of all governmental authorities having jurisdiction over the premises.

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LORI HANNIGAN  
4195-B BRISTOL COURT  
KLAMATH FALLS, OR  
97603

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11. The Tenant shall not permit or engage in any activity which will effect an increase in the rate of insurance for the Building in which the premises is contained nor shall the Tenant permit or commit any nuisance thereon.

12. At the end of the term of this Lease, the Tenant shall surrender and deliver up the premises in the same condition (subject to any additions, alterations or improvements, if any) as presently exists, reasonable wear and tear excluded.

13. Upon default in any term or condition of this Lease, the Landlord shall have the right to undertake any or all other remedies permitted by Law.

14. At any time during the pendency of this Lease, Landlord agrees to sell said property to Tenant for the current balance of existing Trust Deed.

Signed this 2nd day of May, 1994.

Rob Fryling  
ROB FRYLING, Tenant

Lori Hannigan  
LORI HANNIGAN, Landlord

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Lori Hannigan the 24th day  
of May A.D., 19 94 at 9:07 o'clock A M., and duly recorded in Vol. M94,  
of Deeds on Page 16286.

FEE \$35.00  
cc 1.50

Evelyn Biehn • County Clerk  
By Pauline Mullendore