

After Recording Return to:

Dennis Richardson & Associates

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55 S. 5th St

**LEASE AND OPTION AGREEMENT**

Central Pt, OR 97502 MTL 1396-2210

THIS AGREEMENT, Made and entered into on 10/19/2000, 2000, by and between BEULAH MAE MAXWELL, hereinafter called first party, and VIOLET DILLAVOU, hereinafter called second party:

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

**PARCEL I 3714 0311 3200**

Beginning at a point which lies South 23° 17' West a distance of 170 feet from an iron pin which marks the Southwest corner of Lot 1, Block 4, Town of Bly and running thence: North 66° 43' West a distance of 4.74 feet to a point; thence North 88° 47' West a distance of 43.11 feet, more or less, to the Northeast corner of parcel of land sold by Ida Nordine Edsall et al., to J. E. Dobbs and Betty Dobbs, husband and wife on October 1, 1951, which point is marked by an iron pin; thence South 1° 13' West a distance of 100 feet to a point on the North line of the alley; thence South 88° 47' East along the Northerly line of the alley a distance of 23.61 feet to a point; thence South 66° 43' East along the Northerly line of an unplatted alley a distance of 25.24 feet, more or less, to the most Westerly corner of a parcel conveyed by John D. Edsall et al., to Lester Cummings by deed recorded on page 230 of Volume 255 of Deeds; thence North 23° 17' East along the Westerly line of said Cummings parcel a distance of 100 feet to a point on the Southerly line of an unnamed street, thence North 66° 43' West along the Southerly line of an unnamed street a distance of 40 feet, more or less, to the point of beginning; said tract in Lots 1 and 2, Section 3, Township 37 South, Range 14 East of the Willamette Meridian, Klamath County, Oregon.

**PARCEL II 3714 0311 3300**

Beginning at an iron pin which lies South 23° 17' West a distance of 170 feet and North 66° 43' West a distance of 4.74 feet and North 88° 47' West a distance of 43.11 feet from the Iron pin which marks the Southwest corner of Lot 1 in Block 4, TOWN OF BLY, and running thence: Continuing North 88° 47' West along the South line of Edsall Street a distance of 45 feet to an iron pin; thence South 1° 13' West a distance of 100 feet to a point on the North line of the alley; thence South 88° 47' East along the alley line a distance of 45 feet to a point; thence North 1° 13' East a distance of 100 feet, more or less to the point of beginning, said tract being a portion of Lot 1, Section 3, Township 37 South, Range 14 East of the Willamette Meridian.

**SUBJECT TO:**

Rights of the public in and to any portion of the above described property lying within the limits of roads and highways.

commonly known as 61354 Edsall, Bly, Oregon for a term beginning October 1, 2000, and ending at midnight ten (10) days after second party's attorney, Dennis Richardson & Associates, P.C., receives a settlement or judgment resulting from the Klamath County Civil action known as Dillavou v. Bob Brook Trucking Company, LLC, ("Settlement/Judgment Proceeds") at and for a rental of Three Hundred Dollars (\$300.00) per month during the lease term, payable in advance

2000 OCT 27 PM 3:14

on the first of each month commencing on October 1, 2000. Said rental rate shall be paid to first party at her home or as she directs.

Within ten (10) days of the receipt by Dennis Richardson & Associates, P.C., of the Settlement/Judgment Proceeds, said law firm shall place the purchase amount into the escrow account opened by the parties hereto at AmeriTitle's Klamath Falls office. Buyer shall sign a lien providing that Dennis Richardson & Associates, P.C. shall pay the Settlement/Judgment Proceeds directly from its trust account to the above-described escrow account prior to buyer receiving funds from said Settlement/Judgment Proceeds.

The parties agree to the following terms and conditions:

- (a) At the beginning of this lease, first party agrees to accept premise "as is."
- (b) Second party expressly agrees to pay rents as aforesaid; to use the premises for residential purposes and no other purpose without first party's consent; to make no unlawful or offensive use of the premises; not to suffer or permit any waste or strip thereof; to comply with all laws, ordinances and regulations of any public authority with respect to the use of the premises; to promptly pay for all heat, light, water, power and other services or utilities (including garbage service\*) used on the premises; not to commit, permit or create any nuisance on the premises; to permit entry to the premises to those persons, at such times, for such purposes and upon such notices as set forth under ORS 90.322.
- (c) **OPTION TO SECOND PARTY** – First party, as additional consideration for second party's agreement to lease, hereby gives and grants unto second party the sole, exclusive, unconditional, and irrevocable option to purchase the above-described premises subject to and upon the terms and conditions set forth in the Real Property Sales Agreement signed concurrently herewith, at and for a price as follows: The basic price for the premises shall be the sum of Twenty Thousand Dollars (\$20,000.00), plus a sum equal to a prorata as of the date hereof of taxes, paid by 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. If, between the date of this lease and the exercise of this option, any building on the premises has been destroyed or damaged, there shall be deducted all sums received or receivable by first party from any insurance carried by first party on the premises and not previously expended by first party for repair or restoration.
  - (1) The net sum so ascertained shall be the option price of the premises.
  - (2) The second party shall procure, at her expense, a policy of insurance in the minimum amount of Twenty Thousand Dollars (\$20,000.00) and first party shall be named as co-insured. Said policy shall provide that in the event of a partial or complete destruction of any buildings or mobile home situated on the premises, the proceeds of the policy shall be paid to first party and shall be credited against the option/purchase price.
  - (3) Should second party fail to exercise this option, the foregoing lease shall continue until terminated pursuant to its terms.

- (d) This lease and option shall bind and inure to the benefit of, as the circumstances may require, not only the parties hereto, but also their respective heirs, executors and administrators, the successors and assigns of first party, and, so far as the terms hereof permit assignment, the successors and assigns of second party as well.
- (e) Since premises were constructed prior to 1978, buyer acknowledges receipt of Lessor's and Seller's Disclosures of Information on Lead-Based Paint and/or Lead-Based Pain Hazards as set forth in Stevens-Ness Form Nos. 504 and 503.

IN WITNESS WHEREOF, the parties have executed this agreement in duplicate on the day and year first written above.

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS, WHICH, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND WHICH LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN OR 30.930 IN ALL ZONES. 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 AND EXISTENCE OF FIRE PROTECTION FOR STRUCTURES.

First Party's Name and Address

Beverly Maxwell  
1920 Auburn St Apt 48  
Klamath Falls, Oregon 97603

Second Party's Name and Address

Violet J. Dillan  
PO Box 123 61354 Edsall St  
Bly Or 97622

State of Oregon, County of Klamath  
 Recorded 10/27/00, at 2:14 p. m.  
 In Vol. M00 Page 39405  
**Linda Smith,**  
 County Clerk Fee \$ 21<sup>00</sup>