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LEASE OPTION AGREEMENT

This agreement is to be attached to and become a part of Earnest Money and Sale Agreement # _____ dated August 2003 by and between Jon L. Deese and Susan L. Deese as Lessor and Jason Paul Wright and Kellie Lorann Wright hereinafter called Lessee;

Lessor hereby leases to Lessee the premises situated at 4009-300-700 and 800 Klamath County of Klamath, State of Oregon and more particularly described as 2820 Old Midland Rd. Klamath Falls, Oregon 97603 together with all appurtenances for a term of Two Years (see terms of Agreement) to commence on September 1st, 2003 and to end on September 1st, 2005 at OCTober 1st 2003 OCTober 1st 2005

RENT: Lessee agrees to pay without demand to Lessor as rent for the premises the sum of payments equal to those due on Loan #020154655 in Dollars the Approximate amount of \$1,385.00 payable as follows: \$1,385.00 Dollars \$ each month beginning OCT September 1, 2003 through OCT. 1, 2005. Payments to be paid to First American Title Insurance Co. at 422 Main St. - Klamath Falls, Oregon 97601 with full payment Dollars \$ of each payment going towards the rent and any additional payments Dollars \$ of each payment going towards the Option to purchase.

QUIET ENJOYMENT: Lessor covenants that on paying the rent and performing the covenants herein contained, Lessee shall peacefully and quietly have, hold and enjoy the premises for the agreed term.

USE OF PREMISES: The Premises shall be used and occupied by Lessee exclusively as a private single family residence. Lessee shall comply with all the sanitary laws, ordinances, rules and orders of appropriate governmental authorities affecting the cleanliness, occupancy, and preservation of the premises and any restrictions

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and regulations unique to the _____ area of _____
2820 Midland Rd.

CONDITION OF PREMISES: Lessee stipulates that he/she has examined the premises, including the grounds and all buildings and improvements, and that it is, at the time of this lease, in good order, and a safe, clean and tenantable condition.

ASSIGNMENT OF SUBLETTING: Lessee shall not assign this lease, or sublet or grant any concession or license to use the premises or any part thereof without the prior written consent of Lessor, with the understanding the Lessor would not unreasonably withhold consent. A consent by Lessor to one assignment, subletting, concession, or license shall not be deemed to be a consent to any subsequent assignment, subletting, concession or license. An assignment, subletting, concession or license without the prior written consent of Lessor, or an assignment or subletting by operation of law, shall be void and shall, at the Lessor's option, terminate this lease.

ALTERATIONS AND IMPROVEMENTS: Lessee shall make no alterations to the buildings on the premises or construct any building or make other improvements on the premises without the prior written consent of Lessor. All alterations, changes and improvements built, constructed or placed on the premises by Lessee, with the exception of fixtures, removable without damage to the premises and movable personal property shall, unless otherwise provided by written agreement between Lessor and Lessee, be the property of Lessor and remain on the premises at the expiration or sooner termination of this lease.

DAMAGE TO PREMISES: If the premises, or any part thereof, shall be partially damaged by fire or other casualty not due to lessee's negligence or willful act or that of his employee, family, agent, or visitor, the premises shall be promptly repaired by Lessor and there shall be an abatement of rent corresponding with the time during which and the extent to which, the leased premises may have been untenable, but, if the leased premises should be damaged by Lessee's negligence or willful act or that of his employee, family, agent, or visitor to the extent that Lessor shall decide not to rebuild or repair, the term of this lease shall end and the rent shall be prorated up to the time of the damage and the Option money in the amount of any amount paid in addition to/ ^{monthly payment} Dollars is to be refunded. All other moneys paid shall be considered rent.

DANGEROUS MATERIALS: Lessee shall not keep or have on the leased premises any article or thing of a dangerous, inflammable, or explosive character that might unreasonably increase the danger of fire on the leased premises or that might be considered hazardous or extra hazardous by any responsible insurance company.

UTILITIES: Lessee shall be responsible for arranging for and paying for all utilities services required on the premises.

MAINTENANCE AND REPAIR: Lessee will, at his sole expense, keep and maintain the leased premises and appurtenances in good and sanitary condition and repair during the term of this lease and any renewal thereof. In particular, Lessee shall keep the fixtures in the house or on or about the leased premises in good order and repair; and, at their sole expense, shall make all required repair to appliances left on premises, plumbing, heating apparatus, and electric or gas fixtures.

ANIMALS: Lessee shall keep no more than () _____ domestic animals on or about the leased premises without the written consent of Lessor.

RIGHT OF INSPECTION: Lessor and his/her agents shall have the right at a reasonable appointed time (no less than 24 hours) during the term of this lease and any renewal thereof to enter the premises for the purpose of inspecting the premises and all building and improvements thereon.

SURRENDER OF PREMISES: If at the expiration of the lease term the Option is not exercised, Lessee shall quit and surrender the premises in as good state and condition as they were at the commencement of this lease, reasonable use and wear thereof and damages by the elements excepted.

DEFAULT: Lessee will be considered in default if the rent is not paid within (30) days past the 1st day of each month. If any default is made in the payment of rent, or any part thereof, at the times herein above specified, or if any default is made in the performance of or compliance with any other term of condition hereof, the lease, at the option of the Lessor, shall terminate and be forfeited, and Lessor may re-enter the premises and remove all persons therefrom. Lessee shall be given 72 hours notice of any default or breach, and termination and forfeiture of the lease shall not result if, within 72 hours of receipt of such notice, Lessee have corrected the default or breach or have taken action reasonably likely to effect such correction within a reasonable time.

ABANDONMENT: If at any time during the term of this lease, Lessee abandons the premises or any part thereof, Lessor may, at his/her option, enter the premises by any means without being liable for any prosecution therefore, and without becoming liable to Lessee for damages or for any payments of any kind whatever, and may, at his/her discretion, as agent for Lessee, relet the premises, or any part thereof, for the whole or any part of the then unexpired term, and may receive and collect all rent payable by virtue of such reletting.

OPTION TO PURCHASE

Upon the signing by all parties to this agreement, \$ 3,000.00

Dollars shall be paid and shall be consideration for this option. Lessor grants to Lessee the option to purchase the premises at any time during the term of this lease, provided that Lessee is not in default of the terms of the lease agreement. Lessee shall give Lessor not less than 30 days notice in writing of the exercise of this Option. The terms and conditions of sale shall be \$187,000.00

Dollars, \$ _____, purchase price payable contemporaneously with tender of a warranty deed on or before the 1st day of October 19 2005
November 80

Lessor shall credit Lessee on the purchase price the sum of \$3,000.00

Dollars heretofore paid by Lessee to Lessor as Option money and if rents paid according to specified terms an additional \$ Amount equal to any additional payments above monthly payment Dollars per month shall be credited to Option down payment making a total credit of \$3,000 + additional payments Dollars. If Option exercised sooner than 24 months, any payments above monthly payments Dollars from each month paid shall be credited to downpayment.

If this Option is not exercised then Option money and all rents paid shall be considered rent only and all funds paid shall be forfeited.

Lessor shall pay for property taxes and insurance during the term of the lease.

Additional terms: It is agreed between parties that lease of the "shop" to third party will run to 12/2003 and lease may or may not be renewed. Lessee shall be reimbursed approximately \$350.00 per month until such time as existing lease expires and terms of the lease herein are current. At the end of the existing lease to third parties it will be the option of lessee to sub-let the "shop" so long as the terms of the lease herein are current.

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BINDING EFFECT: The covenants and conditions hereto contained shall apply to and bind the heirs, legal representatives, and assigns of the parties hereto, and all covenants are to be construed as conditions of this lease.

Date: 081803

Lessor:

Jon L. DeeseDate: 081803

Lessor:

Susan L. Deese

Date: _____

Lessee:

Jason Paul Wright

Date: _____

Lessee:

Kellie Lorann Wright

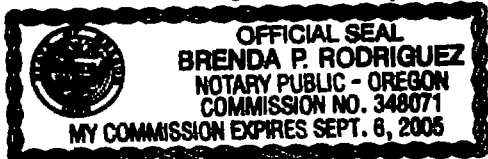
IN WITNESS WHEREOF, the parties have executed this lease at Klamath Falls, Oregon, on August 18, 2003, first above written.

STATE OF OREGON)

) ss.

County of Klamath)

Before me this 18 day of August, 2003, personally appeared the above named Jon L. Deese and Susan L. Deese and acknowledged the foregoing instrument to be their voluntary act and deed.



SEAL

Notary Public for Oregon

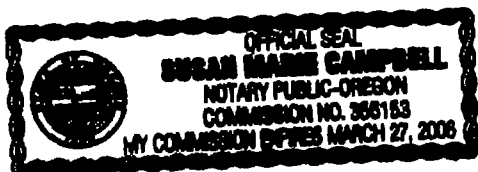
My commission expires: 9-6-05

STATE OF OREGON)

) ss.

County of Klamath)

Before me this 18 day of August, 2003, personally appeared the above named Jason Paul Wright and Kellie Lorann Wright and acknowledged the foregoing instrument to be his/her voluntary act and deed.



Notary Public for Oregon

My commission expires: 3-27-06