John & Gayleen New
C/O Sandy Boatright
5382 Valleywood Drive
Klamath Falls, OR 97603

RESIDENTIAL TENANCY AGREEMENT

THIS LEASE/RENTAL (the "Lease") dated this __6__ th day of *September*, 20 _07_.

BETWEEN:

John W. Jr. & Gayleen R. New
282 Hazel Street
Lithia Springs, GA 30122
Telephone: (541) 840-6901

OF THE FIRST PART

- AND -

Mike & Jean Schreiber
9046 Spoonbill Dr.
Bonanza, OR 97623
Telephone: (541) 884-1121

OF THE SECOND PART

IN CONSIDERATION OF the Landlord leasing certain premises to the Tenant, the Tenant leasing those premises from the Landlord and the mutual benefits and obligations provided in this Lease, the receipt and sufficiency of which consideration is hereby acknowledged, the parties to this Lease agree as follows:

Leased Premises

1. The Landlord agrees to rent to the Tenant the house municipally described as 9046 Spoonbill Road, (the "Premises") for use as residential premises only. The Premises are more particularly described as follows: A three bedroom, two bath home on 1.78 acres with a 40 foot shop and other out buildings. Home has chain link fenced backyard and newly painted decks in the front and back yards. Home also includes the following appliances: Stove/Oven, Refrigerator, Dish washer, Swamp cooler, Washer, and Dryer. Neither the Premises nor any part of the Premises will be used at anytime during the term of this Lease by Tenant for the purpose of carrying on any business, profession, or trade of any kind, or for the purpose other than as a private single-family residence.

2. No pets or animals are allowed to be kept in or about the Premises without prior written permission of the Landlord. Upon thirty (30) day notice, the Landlord may revoke any consent previously given pursuant to this clause.

3. Subject to the provisions of this Lease, the Tenant is entitled to the use of parking on or about the Premises. Only properly insured motor vehicles may be parked in the Tenant's space.

4. The premises are provided to the Tenant without any furnishings.

Term

5. The Term of Lease is six (6) months to commence at 12:00 noon on September 6, 2007.

6. Upon the greater of three (3) days notice and any notice required under the Act, the Landlord may terminate the tenancy under this Lease if the Tenant has defaulted in the Payment of any portion of the Rent when due, and that amount is still due after any grace period required by the Act.

7. Upon the greater of ten (10) days notice and any notice required under the Act, the Landlord may terminate the tenancy under this Lease if the Tenant has breached any provision of this Lease.
8. Upon the greater of thirty (30) days notice and any notice required under the Act, the Landlord may terminate the tenancy under this Lease without cause or reason.
9. Upon the greater of thirty (30) days notice and any notice required under the Act, the Tenant may terminate the tenancy under this Lease, after six (6) month Lease has expired, without cause or reason.
10. Tenant can not make any improvements to the premises without written consent from the Landlord.
11. Tenant is responsible for paying all utilities including electricity, garbage, and cable/satellite. Property has private well and septic sewer system.
12. Tenant is responsible for maintaining heating filters and fixtures, keeping driveway clear of debris, and maintaining the grass and yard.
13. Tenant is solely responsible for Tenant's contents and may purchase renters insurance.
14. Landlord is responsible for maintaining insurance on Landlords contents.
15. Landlord can not be held responsible for any injury that occurs on the property. Responsibility lies solely on the Tenant.
16. Both the Landlord and the Tenant are obligated to prevent and notify each other of any visible evidence of mold on the premises.
17. Landlord must give Tenant 24 hours notice to enter premises unless there is an emergency.
18. The Tenant is not authorized to Sublease the Lease or Sublease the premises at any time.
19. Tenant must leave all sink faucets on to drip in the winter season to prevent pipes from freezing.
20. If Tenant has a visitor stay for more than two (2) weeks, they must first have written consent from the Landlord.
21. After six month Lease has expired, Tenant/Landlord contract reverts to a month to month contract agreement.
22. Tenant must provide thirty (30) days notice in writing before vacating the premises and is responsible for the rent during this time.
23. Premises will be inspected for damages and deposit will be refunded after damages have been assessed. **(Professional carpet cleaning will automatically be deducted from the deposit upon Tenant vacancy).**

Rent

1. Tenant will pay $1000.00 rent every month and the rent payment is due on the fifth (5th) day of every month.
2. Tenant will pay a $1000.00 deposit and first months rent upon signing this agreement.
3. Landlord can raise rent with a minimum of ninety (90) days notice in writing.
4. If upon Tenant vacancy, damages to the property exceed the deposit, the Tenant is responsible for paying all damage expenses incurred by the Landlord.
5. Tenant will be required to pay a $20.00 late fee per day for every day Rent is past due.
6. If Tenant does not pay Rent within seven (7) days of due date, 72 hour notice will be given to vacate the premises as stated above.
7. Tenant is required to pay $50.00 for any Non-Sufficient Funds check returned by the Landlord.

State of Oregon
County of Klamath Falls

Personally **appeared** before me, <u>John & Gayleen New (Landlords)</u> and <u>Mike & Jean Schreiber</u> <u>(Tenants)</u> and was positively identified by me, <u>Sandy Boatright</u> on this <u>6</u> day of <u>September</u>, 200<u>7</u> to acknowledge this Rental/Lease agreement.

Landlords

John W. Jr. New

Gayleen R. New

Tenants

Mike Schreiber

Jean Schreiber

This instrument was acknowledged before me, <u>Sandy Boatright</u> on this <u>6</u> day of <u>September</u>, 200<u>7</u>

Sandy Boatright
Notary Public
Commission Expires: _April 25, 2011_

Legal Description

Lot 13, Block 29, Klamath Forest Estates, Hwy 66 unit Plat No. 2 in the County of Klamath, State of Oregon.