

2007-016193

Klamath County, Oregon



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09/14/2007 02:53:38 PM

Fee: \$71.00

*Return To  
Ernest Tosti*

Returned @ County

## LEASE AGREEMENT

THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT

Known all men by these present, that I, **Bruce and Pam McEldowney** hereinafter called **Lessor**, for and in consideration of the terms and conditions herein contained, do hereby lease and let the hereinafter described premises for a period of **three years** unto **Ernest W. and Tama Tosti**, hereinafter called lessee.

### WIRNESSETH:

**Real Property.** The real property to be covered by the Terms of this lease is described as follows, to wit:

Commonly known as the **McEldowney Ranch** at 23770 South Poe Valley Rd. Klamath Falls Oregon 97603 Less Approximately 5 acres of the ranch headquarters shown as exhibit A. Lease to include Approximately 120 acres of pasture land, farm land and pole barn shown as exhibit B. Legal description too be attached.

### TERMS AND CONDITIONS:

#### ARTICLE'S:

#1. Lease shall be for Three Years beginning, October 31, 2006 and ending October 31, 2009.

#2. Compensation shall be \$10,000.00 (Ten Thousand and no/100 Dollars) yearly, payable half on October 31, and half on April 1<sup>st</sup> of each year.

#3. Lessee shall maintain fences, barn, and irrigation equipment in the same state of repair as the same now are except for normal wear and tear or unusual damage by the elements and Lessor acknowledges the improvements and equipment are in poor condition. See exhibit C.

#4. Lessee shall carry liability insurance off 1,000,000 and provide Lessor with a certificate.

#5. Lessor to pay Water and Power, should there be a Power rate increase, the increase is to be divided between Lessor and Lessee. The present rate is \_\_\_\_\_.

#6. Lessor shall have irrigation pump and electrical panel installed in the fall of 2006 and shall maintain proper working condition. A list of all irrigation equipment is to be attached, exhibit D.

#7. Lessee's personal property such as irrigation equipment, panels etc... shall remain the lessee's.

#8. Livestock water is to be supplied from domestic well on adjacent 5 acres until other arrangements can be made or option is executed.

#9 Lessee shall have built, the line fence approximately a half mile, at Nelson and McEldowny property, shown as exhibit E, October and November of 2006. Cost to be explained in Article #10.

#10 Lessee has the option to purchase said property in 1 ½ years at the purchase price of \$324,000.00 (Three Hundred Twenty Four Thousand and no/100 Dollars) or in 3 years at \$330,000.00 (Three Hundred Thirty Thousand and no/100 Dollars).

#### TERMS OF SALE

- a. Down to be at least \$50,000.00 with the cost of fence in Article 9 to be deducted.
- b. Lessor to carry balance on a promissory note and trust deed amortized over 20 years @ 7% simple interest with a 10 year balloon payment and no prepayment penalty.
- c. Bi annual payments with dates, agreeable to both parties, to be decided at closing of escrow.
- d. Taxes water etc... To be prorated at time of closing.
- e. Should 5 acre parcel with home and buildings be sold prior or after this lease option being executed there will be an easement for a buried main line for irrigation water approved by both lessee and lessor. The lessor or owner of the 5 acres will be responsible for there own pump, electrical panel and water line.
- f. Option subject to the approval of Preliminary Title Report.
- g. Seller to deliver Warranty Deed conveying property free of encumbrances.
- h. Sale will be closed in escrow with parties splitting closing cost and seller providing Title Insurance.
- i. Irrigation equipment, exhibit D, is included in sale.

#11 Lease shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors and assigns.

IN WITNESS WHEREOF, WE HAVE HEREUNTO SET OUR HANDS IN  
DUPLICATE THIS 10 DAY OF NOVEMBER 2006.

The undersigned have read the forgoing prior to execution and acknowledge receipt of a copy of this three page document.

Bruce and Pam McEldowney  
23770 South Poe Valley Rd.  
Klamath Falls Or. 97603

Lessor's [Signature] Date 11-10-06  
Bruce McEldowney  
Pam McEldowney Date 11-10-06

Ernest and Tama Tosti  
26591 South Poe Valley Rd.  
Klamath Falls Or. 97603

Lessee's [Signature] Date 11-10-06  
Ernest W Tosti  
Tama Tosti Date 11/10/06

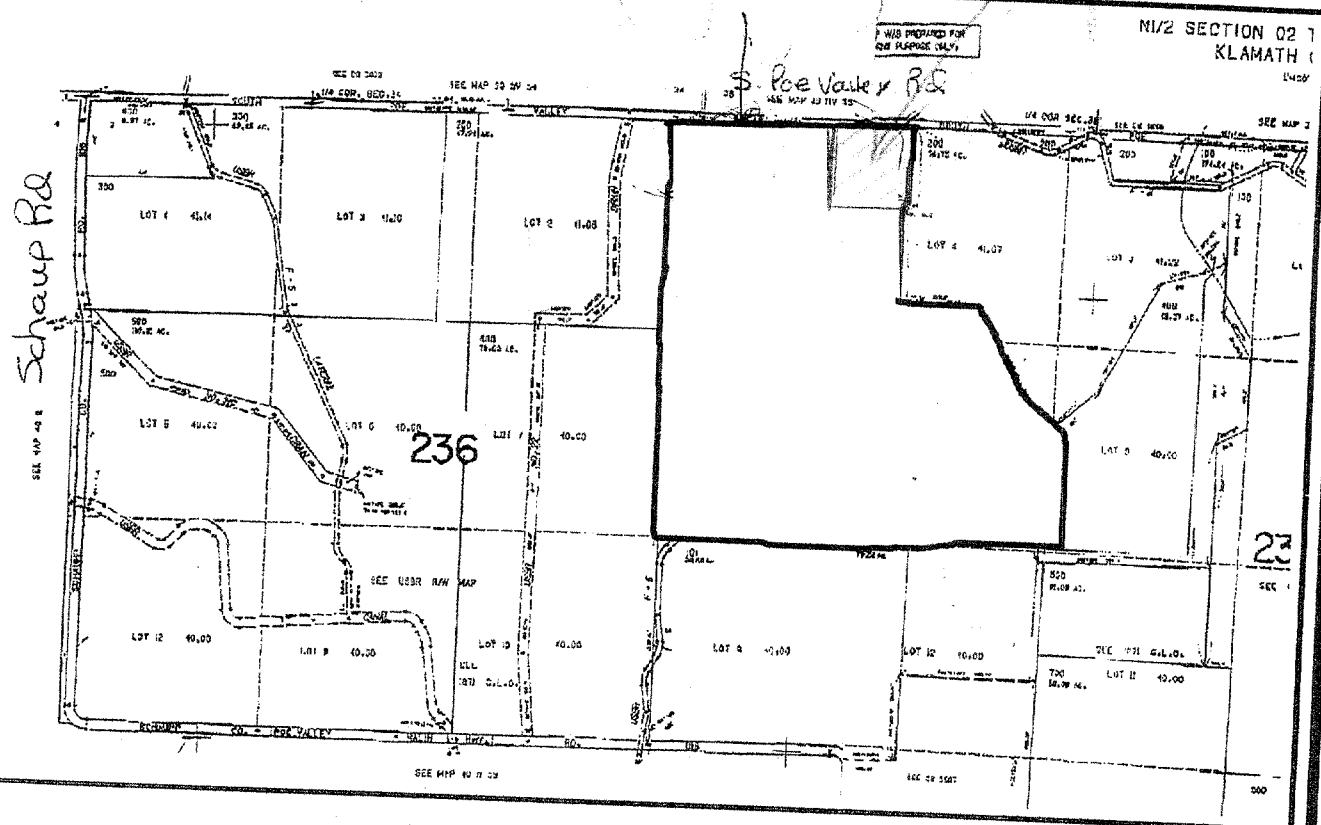
Witnesses the 10 of November 2006, COUNTY OF KLAMATH

Witness Name Traci Holmes  
Address 5215 S W  
City Klamath Falls OR  
Zip code 97603

Signature [Signature] Date Nov 10, 2006



5-20-73



Lots 1, 8 and 9, Section 3, and Lot 13, Section 2, Township 40 South, Range 11 East of the Willamette Meridian, in the County of Klamath, State of Oregon, and a portion of Lots 4, 5 and 12, Section 2, said Township and Range, being described as follows:

Beginning at a point on the North line of Government Lot 4, said Section 2, Township 40 South, Range 11 East of the Willamette Meridian, in the County of Klamath, State of Oregon, which bears West along the North line of said Section 2 a distance of 2356.4 feet from the Northeast corner of Government Lot 3 in said Section 2, said point being the Northwest corner of tract described in Deed from Melvin D. Fiegi, et ux., to Ben F. Smith, Inc., dated March 29, 1973, recorded March 30, 1973 in Book H-73 at Page 3700, Microfilm Records of Klamath County, Oregon; thence South 407 feet; thence West 50.0 feet; thence South 618.0 feet; thence East 537.0 feet; thence Southeasterly in a straight line 1008.0 feet, more or less, to the most Westerly point of tract described as Parcel 3 in Deed from Millet Ranch to Ben F. Smith, Inc., dated June 27, 1972, recorded July 7, 1972 in Book H-72 at Page 7365, Microfilm Records of Klamath County, Oregon; thence South 01 degrees 40' East a distance of 824.2 feet to a point; thence North 88 degrees 45' East along the Southerly boundary of said parcel to the Northwest corner of that parcel described in Book 357 at Page 339, Deed Records of Klamath County, Oregon, said point being on the West line of Government Lot 11 and the East line of Government Lot 12; thence South along said boundary line of Lots 11 and 12 to the Southeast corner of Lot 12; thence West to the West line of said Section 2; thence North along said West line to the North line of said Section 2; thence East along said North line to the point of beginning.

SAVING AND EXCEPTING a parcel of land situated in Government Lots 5, 12 and 13 in Section 2, Government Lots 8 and 9, Section 3, Township 40 South, Range 11 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Continued on next page

Beginning at the North 1/16 corner common to said Sections 2 and 3; thence North 1365.49 feet to a 1/2 inch pipe described in Volume 2 at Page 183 of the Klamath County Road Records; thence North 1350.00 feet to the true point of beginning of this description; thence West 1367 feet, more or less, to the West line of said Government Lot 8; thence Southerly along the Westerly line of said Government Lots 8 and 9, 1359.01 feet to a point in the centerline of Schaupp Road; thence North 89 degrees 37' 20" East 1360.07 feet to said 1/2 inch pipe; thence South 1365.49 feet to said North 1/16 corner; thence South 89 degrees 04' 32" East along the centerline of Bedfield Road as constructed, 1297.4 feet, more or less, to the East line of Government Lot 13; thence Northerly, along the East line of said Government Lots 13, 12 and 5, 2736.50 feet to a point; thence West 1279.40 feet to the true point of beginning.

EXCEPTING THEREFROM that portion lying within the boundaries of South Poe Valley Road.

CODE 236 MAP 4011-300 TL 100  
CODE 236 MAP 4011-200 TL 300

STATE OF OREGON: COUNTY OF KLAMATH: ss. \_\_\_\_\_ the 28th day  
Filed for record at request of Aspen Title Co. \_\_\_\_\_  
of May A.D. 19 92 at 3:24 o'clock P. M., and duly recorded in Vol. M92  
of Deeds on Page 11554  
By Evelyn Biehn County Clerk  
Dorine Williams

FEE \$40.00

Less Approximately 5 acres on South East  
corner including Home & Hard ground

2015

20

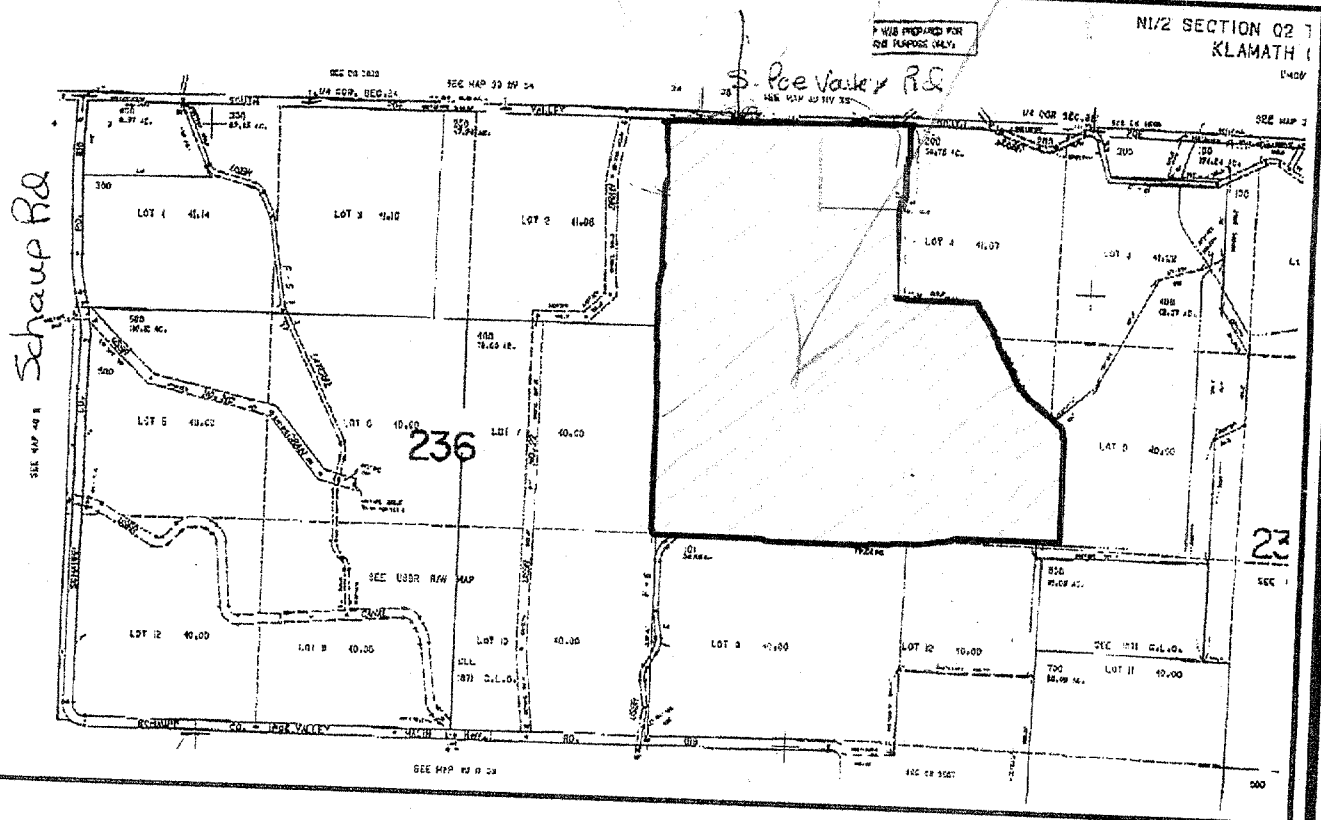
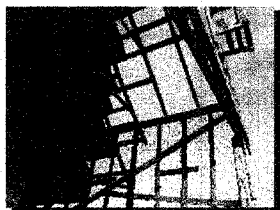
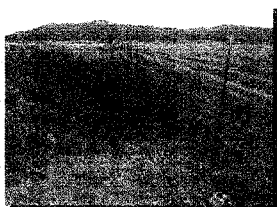
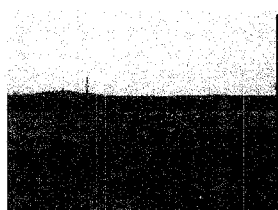
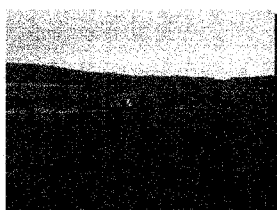
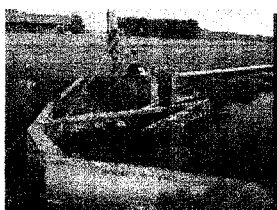
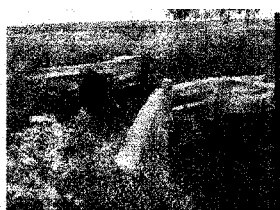


Exhibit C







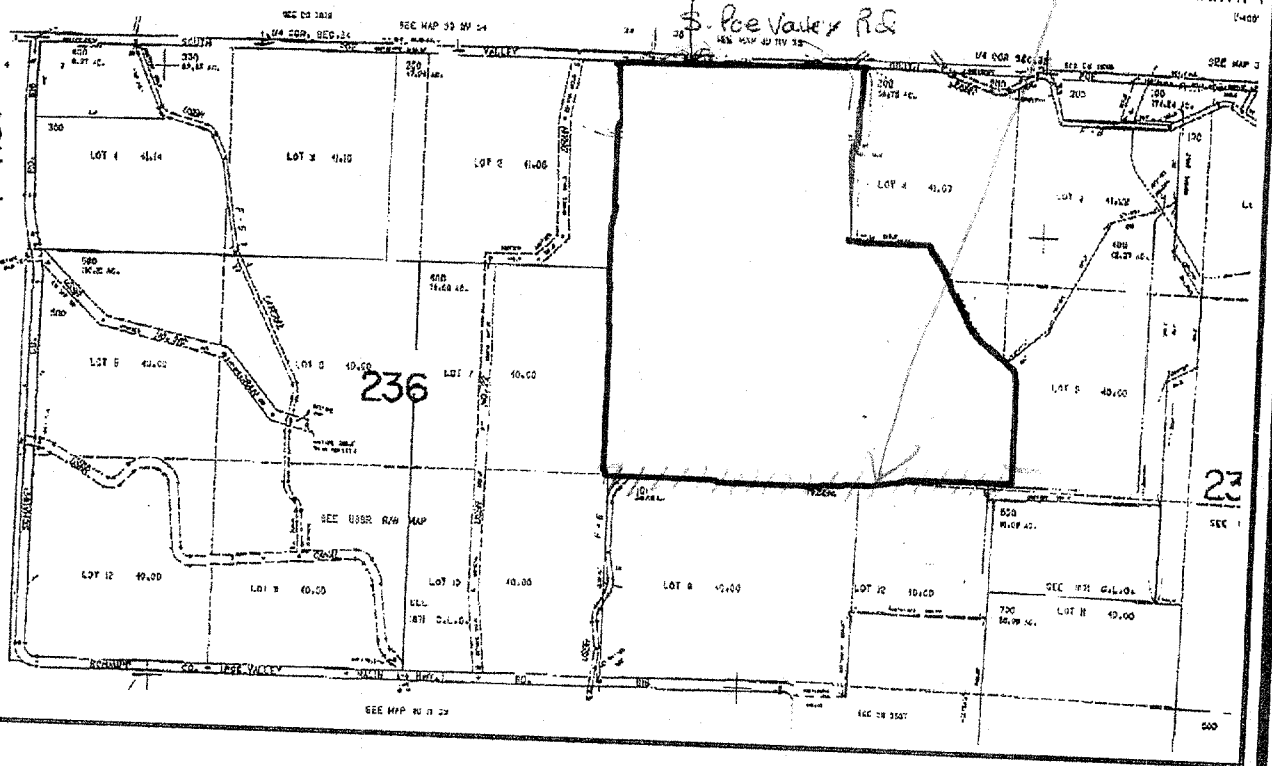
# Exhibit E

McEldowney -  
Nelson Line Fence

Schaup Rd

S. Roe Valley Rd

1/2 SECTION 02 1  
KLAMATH 1



Carpenter's High Desert Fencing

P.O. Box 4  
Bonanza, OR 97623

# Invoice

Date	Invoice #
11/12/2006	337

Bill To
Ernie Tosti 26591 S. Poe Valley Rd. Klamath Falls, OR. 97603

P.O. No.	Terms
	Due on receipt

Date	Item	Quantity	Description	Rate	Amount
11/12/2006	fencing	2,640	5 strand red brand 4 pt		0.00
	double H brace	4			
	1/2 double H br...	2			
	single H brace	1			
	fencing		2 post ditch clean out		
	Powder River ...	2	10'		0.00
	Powder River ...	1	12'		
	Powder River ...	1	20" panel		
	fencing			5,346.00	5,346.00
Thank you for your business.				<b>Total</b>	<b>\$5,346.00</b>

Please note a service charge of \$15.00 will be assessed on all accounts over 30 days past due. Interest will accrue at 18% APR on all past due

*Paid*

*OK #4978*  
*11-12-06*

Phone #	Fax #
541-891-2261	541-545-6805