

Taxes Sent to :

Larry D. Ownby
126 E. Lowell St
Klamath Falls, OR
97601

2009-007773

Klamath County, Oregon



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06/04/2009 11:47:07 AM

Fee: \$46.00

FORM No. 14 - OPTION FOR PURCHASE OF REAL ESTATE.

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EOB

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OPTION FOR PURCHASE OF REAL ESTATE / Lease

KNOW ALL BY THESE PRESENTS that Bernarr Pingle or Betty Myers
hereinafter called Owner, in consideration of \$ 80,150 paid to Owner by Larry Ownby and Gwen Ownby
hereinafter called Second Party, hereby bargains, gives and grants to Second Party a sole, exclu-
sive, and irrevocable option to purchase the following-described real property:

Klamath Falls North, Block 17, Lot R184829

R184829

R - 3809 - 029BB - 06000 - 000

See Exhibit A

This option shall commence on Dec 5, 2005, Aug 5, 2024 6:00 PM and expire at midnight on
Aug 5, 2024, 12:00 PM. The full purchase price of the property, if purchased hereunder by
Second Party, shall be \$ 80,150. In order to exercise the option, Second Party shall notify Owner, by written notice mailed
to Owner at PO Box 206 Canby California

before this option expires. Second Party may also exercise this option by causing notice to be delivered in person to Owner. The con-
sideration paid for this option ☐ shall ☒ shall not (indicate which) be applied to the purchase price. Second Party's notice to Owner
shall be accompanied by a further payment of \$ _____, which shall be applied toward the purchase price. Such payment
shall be in the form of a cashier's check or certified check. Upon execution of a contract or deed pursuant to the exercise of this
option, Second Party shall pay Owner the additional sum of \$ _____, which payment also shall be applied toward the
purchase price. The balance of the purchase price, \$ _____, shall be paid at the times and in the following manner:

350⁰⁰ per mo. to be payed to Betty Myers or Bernarr
Pingle on 5th of each month. with a down
Payment.

The form of security agreement used to consummate this transaction shall be a _____

If this option is exercised, the transaction contemplated thereby ☐ shall ☐ shall not (check exactly one) be closed in escrow.

IF THE PARTIES HAVE ELECTED TO CLOSE THIS SALE IN ESCROW, they hereby constitute and appoint _____
as their escrow agent. Within _____ days after the delivery of Second Party's notice of election to

(OVER)

Returned to Counter



purchase, Owner shall deposit Owner's deed with the escrow agent, and Second Party shall deposit with the escrow agent all sums of money required by the above terms of sale to be paid by Second Party on the delivery of the deed, together with all written instruments, fully executed, whatsoever required of Second Party at that time. When the escrow deposits have been made, Owner and Second Party shall execute and deliver to escrow agent suitable and appropriate escrow instructions authorizing and directing the escrow agent to deliver Owner's deed to the order of Second Party and deliver to Owner the moneys and written instruments deposited by Second Party as soon as Owner has delivered to the escrow agent for the grantee named in the deed a policy of title insurance issued by a reputable title insurance company authorized to do business within the State of Oregon, insuring (in a sum equal to the total purchase price) Owner's marketable title in and to the property, free and clear of all encumbrances whatsoever, excepting only those stated below and the usual printed exceptions.

Should the option be exercised, and should either party fail to deposit the written instruments and the moneys required of them to be deposited pursuant to the foregoing terms and conditions, or should Owner fail to deliver to the escrow agent the title insurance policy within 15 days after the execution and delivery of the escrow instructions, each party may withdraw from escrow all moneys and written instruments previously deposited by them.

All adjustments between the parties relative to taxes, insurance premiums, interest, rents and other matters shall be made as of the date of delivery of deed out of escrow. The expenses of title insurance and preparation of the deed shall be borne by Owner. The fees and expenses of the escrow agent shall be borne equally by Owner and Second Party.

IF THE PARTIES HAVE ELECTED NOT TO CLOSE THIS SALE IN ESCROW, upon exercise by Second Party of the option established hereunder, Second Party shall pay the required consideration and deliver all necessary documents to Owner as hereinbefore specified within _____ days of Second Party's election to purchase. Owner shall furnish Second Party with title insurance issued by a reputable title insurance company authorized to do business within the State of Oregon, insuring (in a sum equal to the total purchase price) Owner's marketable title in and to the property, free and clear of all encumbrances whatsoever, except only those stated below and the usual printed exceptions. Second Party shall have _____ days after delivery of the title insurance in which to examine the same, and Owner shall have _____ days after written notice of defects is delivered to Owner to remedy the same. If Owner is unable to so perform, Owner shall there-after immediately refund to Second Party all sums previously paid pursuant to this option. If Second Party does not, within the period allowed, elect to purchase the property, then this agreement shall, at the expiration of that period, become null and void, and Owner shall retain, to Owner's use and benefit, all money paid hereunder.

THE FOLLOWING TERMS APPLY WHETHER OR NOT THE PARTIES HAVE ELECTED TO CLOSE THIS SALE IN ESCROW:

Owner covenants and agrees to and with Second Party that Owner is the owner of the property and has a valid right to sell and convey the same, and to contract to do so.

Owner's deed shall be a good and sufficient warranty deed conveying the property to Second Party and Second party's heirs and assigns, free of all encumbrances, except zoning ordinances, building, use and other restrictions of record, and the following encumbrances:

If the property includes housing constructed prior to 1978, see attached Seller's Disclosure of Information on Lead-Based Paint and or Lead-Based Paint Hazards (S-N Form No. 503).

This document creates an option and nothing more. It does not pass to or vest in Second Party any right, title or interest whatsoever in or to the property. In the event that Second Party does not elect to exercise Second Party's option within the time and in the manner stated, time being of the essence, this instrument shall become null and void and of no further force or effect.

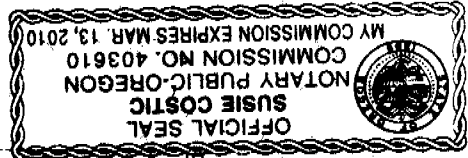
This contract shall bind and inure to the benefit of, as the circumstances may require, not only the immediate parties but also their respective heirs, administrators, executors, successors in interest, and assigns.

It is understood that either party hereto may be more than one individual or a corporation. If the context and the circumstances so require, the singular includes the plural, and all grammatical changes shall be made so the provisions of this agreement shall apply equally to individuals and to corporations. If the owner is a corporation, it has caused its name to be signed and its seal, if any, affixed by an officer or other person duly authorized to do so by order of its board of directors.

DATED

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PRO-
TECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND
USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTO-
MATICALLY PROTECT STRUCTURES. THE PROPERTY IS SUBJECT TO LAND
AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 IN ALL ZONES.
BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING
FEES SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS
195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424,
OREGON LAWS 2007, BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT. THE PER-
SON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRI-
ATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND
BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN
ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO
VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE
ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS
195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424,
OREGON LAWS 2007.

STATE OF OREGON, County of Clatsop ss. June 4, 2009
This instrument was acknowledged before me on BERNARD E. LINGEL, BETTY S. MYERS, JARED QUINBY
by AND GWENE THINGELAF
as



Susan Costic
Notary Public for Oregon
My commission expires March 13, 2010

IMPORTANT NOTICE: If the one who gives this option is a creditor and the one to whom it is given is a customer, as those words are defined in the Truth-in-Lending Act and Regulation Z, legal advice should be obtained as to whether disclosures and other notices are required - and when. (For a Notice of Right to Cancel, see Stevens-Ness Form No. 1324.)
PUBLISHER'S NOTE: If using this form to convey real property subject to ORS 92.027, include the required reference.

Exhibit A

LF237-04

LEASE WITH PURCHASE OPTION

BY THIS AGREEMENT made and entered into on November 21, 2005,
between Bernard Pingel or Betty Myers, herein referred to as Lessor,
and Larry D. Ownby and Gwen E. Ownby, herein referred to as Lessee,
Lessor leases to Lessee the premises situated at _____, in
the City of Klamath Falls, County of Klamath, State of Oregon,
and more particularly described as follows: Klamath Falls north, Block 17, Lot
R184829

R-3809-02988-0600-000
together with all appurtenances, for a term of 229 months years, to commence on Dec 5, 2005, (year), and
to end on Aug 5, 2024, at 12:00 o'clock p.m.

1. **Rent.** Lessee agrees to pay, without demand, to Lessor as rent for the demised premises the sum of 80,150.00
Eighty thousand one hundred and fifty Dollars (\$80,150) per month
in advance on the 5th day of each calendar month beginning December 5, 2005, payable at
PO Box 37266, City of Canby, State of
California, or at such other place as Lessor may designate.

2. **Security Deposit.** On execution of this lease, Lessee deposits with Lessor 0 dollars

_____ Dollars (\$ _____), receipt of which is
acknowledged by Lessor, as security for the faithful performance by Lessee of the terms hereof, to be returned to Lessee,
without interest, on the full and faithful performance by him of the provisions hereof.

3. **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 demised premises for the agreed term.

4. **Use of Premises.** The demised premises shall be used and occupied by Lessee exclusively as Residence,
and neither the premises nor any part thereof shall be used at any time during the term of this lease by Lessee for any other
purpose. Lessee shall comply with all the sanitary laws, ordinances, rules, and orders of appropriate governmental
authorities affecting the cleanliness, occupancy, and preservation of the demised premises, and the sidewalks connected
thereto, during the term of this lease.

5. **Condition of Premises.** Lessee stipulates that he has examined the demised premises, including the grounds and all
buildings and improvements, and that they are, at the time of this lease, in good order, repair, and in a safe, clean, and
tenantable condition.

6. **Assignment and Subletting.** Without the prior written consent of Lessor, Lessee shall not assign this lease, or sublet or
grant any concession or license to use the premises or any part thereof. 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 Lessor's option, terminate this lease.

7. **Alterations and Improvements.** Lessee shall make no alterations to the buildings or the demised premises or construct
any building or make other improvements on the demised premises without the prior written consent of Lessor. All
alterations, changes, and improvements built, constructed, or placed on the demised 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 demised premises at the
expiration or upon sooner termination of this lease.

8. **Damage to Premises.** If the demised 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 other than 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.

9. Dangerous Materials. Lessee shall not keep or have on the leased premises anything 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.

10. Utilities. Lessee shall be responsible for arranging for and paying for all utility services required on the premises, except that *NONE* shall be provided by Lessor.

11. 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 on or about the leased premises in good order and repair; keep the furnace clean; keep the electric bells in order; keep the walks free from dirt and debris; and, at his sole expense, shall make all required repairs to the plumbing, range, heating apparatus, and electric and gas fixtures whenever damage thereto shall have resulted from Lessee's misuse, waste, or neglect or that of his employee, family, agent, or visitor. Major maintenance and repair of the leased premises, not due to Lessee's misuse, waste, or neglect or that of his employee, family, agent, or visitor, shall be the responsibility of Lessor or his assigns. Lessee agrees that no signs shall be placed or painting done on or about the leased premises by Lessee or at his direction without the prior written consent of Lessor.

12. Right of Inspection. Lessor and his agents shall have the right at all reasonable times during the term of this lease and any renewal thereof to enter the demised premises for the purpose of inspecting the premises and all building and improvements thereon.

13. Display of Signs. During the last *NONE* days of this lease, Lessor or his agent shall have the privilege of displaying the usual "For Sale" or "For Rent" or "Vacancy" signs on the demised premises and of showing the property to prospective purchasers or tenants.

14. Subordination of Lease. This lease and Lessee's leasehold interest hereunder are and shall be subject, subordinate, and inferior to, any liens or encumbrances now or hereafter placed on the demised premises by Lessor, all advances made under any such liens or encumbrances, the interest payable on any such liens or encumbrances, and any and all renewals or extensions of such liens or encumbrances.

15. Holdover by Lessee. Should Lessee remain in possession of the demised premises with the consent of Lessor after the natural expiration of this lease, a new month-to-month tenancy shall be created between Lessor and Lessee which shall be subject to all the terms and conditions hereof but shall be terminated on _____ days' written notice served by either Lessor or Lessee on the other party.

16. Surrender of Premises. At the expiration of the lease term, Lessee shall quit and surrender the premises hereby demised 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. *Residence*

17. Default. If any default is made in the payment of rent, or any part thereof, at the times hereinbefore specified, or if any default is made in the performance of or compliance with any other term or condition hereof, this lease, at the option of Lessor, shall terminate and be forfeited, and Lessor may re-enter the premises and remove all persons therefrom. Lessee shall be given written notice of any default or breach, and termination and forfeiture of the lease shall not result if, within *30* days of receipt of such notice, Lessee has corrected the default or breach or has taken action reasonably likely to effect such correction within a reasonable time. Lessee shall pay all reasonable attorneys' fees necessary to enforce Lessor's rights.

18. Abandonment. If at any time during the term of this lease Lessee abandons the demised premises or any part thereof, Lessor may, at his option, enter the demised premises by any means without being liable for any prosecution therefore, and without becoming liable to Lessee for damages or for any payment of any kind whatever, and may, at his discretion, as agent for Lessee, relet the demised 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, and, at Lessor's option,

hold Lessee liable for any difference between the rent that would have been payable under this lease during the balance of the unexpired term, if this lease had continued in force, and the net rent for such period realized by Lessor by means of such reletting. If Lessor's right of re-entry is exercised following abandonment of the premises by Lessee, then Lessor may consider any personal property belonging to Lessee and left on the premises to also have been abandoned, in which case Lessor may dispose of all such personal property in any manner Lessor shall deem proper and is hereby relieved of all liability for doing so.

19. Binding Effect. The covenants and conditions herein 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.

20. Radon Gas Disclosure. As required by law, (Landlord) (Seller) makes the following disclosure: "Radon Gas" is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in N/A. Additional information regarding radon and radon testing may be obtained from your county public health unit.

21. Lead Paint Disclosure. "Every purchaser or lessee of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller or lessor of any interest in residential real estate is required to provide the buyer or lessee with any information on lead-based paint hazards from risk assessments or inspection in the seller or lessor's possession and notify the buyer or lessee of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase." N/A

22. Purchase Option. It is agreed that Lessee shall have the option to purchase real estate known as: 126 Lowell, Klamath Falls, OR, 97601 without any penalty for early pay off at the end of each year, all ^R\$350. Payments to apply to principal toward pay off of property + house for the purchase price of eighty thousand one hundred fifty Dollars (\$80,150) with a down payment of 0 Dollars (\$ 0) payable upon exercise of said purchase option, and with a closing date no later than 30 days thereafter. This purchase option must be exercised in writing no later than December 5th, 2005, but shall not be effective should the Lessee be in default under any terms of this lease or upon any termination of this lease.

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

Bernard Ringel
Betty Myers
Lessor

Larry D. Ownby
Lwen Ownby
Lessee

NOTICE: State law establishes rights and obligations for parties to rental agreements. This agreement is required to comply with the Truth in Renting Act or the applicable Landlord Tenant Statute or code of your state. If you have a question about the interpretation or legality of a provision of this agreement, you may want to seek assistance from a lawyer or other qualified person.