

THIS AGREEMENT, Made and entered into this 2nd day of May, 1974,
by and between D. W. LAVIN and MARGARET H. LAVIN, husband and wife,

hereinafter referred to as first party (whether singular or plural), and JOHN N. DAVIDSON and
DOROTHY F. DAVIDSON, husband and wife,

hereinafter known as second party (whether singular or plural),

WITNESSETH: In consideration of the covenants herein contained to be kept by second party, first party does hereby lease, demise and let unto the said second party the following described premises, to-wit:

Lot 7 Pleasant Home Tracts No. 2, Klamath County, Oregon,
also known as 5531 South Sixth Street, Klamath Falls,
Oregon

known as 5531 South Sixth Street, Klamath Falls, Oregon

To Have and to Hold the same unto the second party for the term beginning the 1st day of
June, 1974, and extending to and including the 31st day of May,
1975.

The second party for their heirs, executors, administrators and/or its
successors and assigns, does hereby covenant to and with the first party their heirs, executors, adminis-
trators and/or its successors and assigns, to pay as rental for said premises, for said term, the sum of Two Thousand One Hundred and No/100ths (\$2,100.00) Dollars;
the said rental shall be paid as follows: One Hundred Seventy-Five & No/100ths (\$175.00)
Dollars on the execution of this agreement, receipt whereof is hereby acknowledged, and

the sum of \$175.00 per month, payable on the 1st day of each and
every month for the term of this lease.

said payments to be made to and at the place designated by the first party.

The second party expressly agrees: To make no unlawful or offensive use of said premises; that waste thereof will not be
suffered nor permitted; that no alterations or additions to or upon said premises will be made or suffered, nor this lease or op-
tion hereinafter granted, assigned, nor said premises sublet, nor may any other persons occupy said premises, unless the written
consent of the first party is first had and obtained. Said second party further agrees to promptly pay the rental installments as
hereinafter provided as the same become due; that at the expiration of this lease or at the termination thereof second party will
quit and deliver up the premises to the first party, peaceably and quietly and in as good order and condition as the same now are
(reasonable use and wear thereof, fire and other unavoidable casualties excepted).

Second party agrees to comply with the ordinances and laws of the City and of the State in which said property may be
located, relating to the use and occupancy of said premises, and to keep sidewalks surrounding said premises free of snow and
ice and other obstructions in accordance therewith; and further agrees to pay all charges for water, gas and electric lights used
on said premises as the same become due and to make all necessary repairs to the buildings on said premises during the term
of this lease at the sole cost and expense of said second party.

Party of the second part agrees to pay the taxes becoming due and payable in the year 1974, and any and all
assessments, both principal and interest, on account of City, County and District liens now assessed or levied, and hereafter as-
sessed or levied against said premises, payment on which have accrued during the term of this lease.

10 days, or if the second party shall neglect or fail to do or perform any of the covenants herein contained, then
in the event of any of said cases, the first party may immediately, or at any time thereafter while said default continues,
enter upon said premises or any part thereof and repossess the same and expel second party and those claiming under second
party and remove said second party's effects, forcibly if necessary without being taken or deemed guilty in any manner of tres-
pass and without prejudice to any other remedies which might otherwise be used for arrears of rent, and all payments theretofore
made by second party under this agreement, and all additions and improvements by second party made to and upon said real
property, shall be retained and belong to first party as liquidated damages.

In the event of such arrearage, neglect or failure, the second party hereby expressly waives the service of any notice of
intention to terminate this lease or to repossess said premises, and further waives any demand for payment of rent or for pos-
session, or of any and every notice or demand prescribed by any law of the State of Oregon, and agrees that the simple breach
by the second party of any of the covenants herein shall of itself constitute a wrongful detainer of said premises by the second
party within the meaning of the statutes of the State of Oregon covering forcible entry and detainer.

As a further consideration of the covenants herein contained to be kept by second party and the payments to be made by
said second party for and on account of the above lease, the said first party does hereby give and grant unto the second party,
the sole, exclusive and irrevocable right and privilege of purchasing the real property hereinabove described, subject to and upon
the terms and conditions as set forth in the form of purchase agreement hereto attached, at and for the agreed price of Twenty-Five Thousand and No/100ths (\$25,000.00) Dollars
to be paid in the manner and form as stated in said agreement.

If the second party elects to exercise the option herein granted, said second party shall pay to the first party the sum of Two Thousand Nine Hundred & No/100ths (\$2,900.00) Dollars as a first and down payment, and execute an agreement of sale and purchase in the form attached hereto, on or before the 1st day of May, 1975, at 5:00 o'clock P. M. The first party agrees to execute said agreement of sale upon the exercise of said option by the second party as herein provided and thereupon to place to the credit of said second party on said purchase agreement, the rental installments theretofore paid by the second party on this lease, in the manner following, to-wit:

There shall first be deducted from the rental installments so paid, interest at the rate of 8 1/2 per cent per annum on the said purchase price from the date of this agreement to the next following rent payment date, and thereafter interest at said rate shall be so deducted each rent payment date on the balance of said purchase price remaining unpaid on the preceding rent payment date. Said interest to be so deducted during the entire period of this lease as if the agreement for the purchase of said premises had been entered into at the date hereof. The second party shall thereupon be required to pay down only the difference between the said down payment and the sum of the installments paid by the second party, under the terms of the herein lease, after deducting the interest as above provided therefrom.

Upon the second party exercising the option herein granted to purchase, first party agrees to furnish within ten (10) days thereafter a title insurance policy or an abstract of title, continued to date, at option of first party, showing marketable title to the above described premises in first party subject to building restrictions, zoning ordinances, if any, and any liens or incumbrances against said premises to be assumed by second party. Said second party shall have a reasonable time to examine said abstract or title insurance and shall return the same together with a written report of any objections to said title to said first party and said first party may have such time as may be necessary to clear such objections.

Time is hereby declared to be the essence of this agreement and in the event the second party shall fail or neglect to make the payments or any of them as herein provided for or shall fail to strictly and literally perform any of the covenants or conditions herein contained, then all payments theretofore made by second party to the first party shall be considered as rent and shall be retained and belong to the first party herein and the option herein granted to second party shall thereupon become null and void without any notice of termination or act by first party.

It is agreed that First Party may store personal effects and belongings upon the above-described property during the term of this lease, however, Second Party shall not be responsible for said personal property except through their own negligence.

If Second Party exercise their option under this agreement First Party will allow the sum of \$2,100 for rental paid herein, to be applied to the Purchase price; the further sum of \$2,900 to be paid upon exercise of said option & the balance of \$20,000 to be on contract at the rate of 8 1/2%.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals in duplicate at

Klamath Falls, Oregon, the day and year first hereinabove written.

Executed in the presence of:

Ellen E. Martin

W. L. Lavin (SEAL)
Margaret H. Lavin (SEAL)
Thomas J. Davidson (SEAL)
Dorothy J. Davidson (SEAL)

Lease and Option Agreement

(FORM No. 199)

Between

and

Date May 1, 1975

Expires May 1, 1975

STEVENS-NEES LAW PUB. CO., PORTLAND

State of OREGON,
County of Klamath

Filed for record at request of

DOROTHY J. DAVIDSON

on this 2nd day of JANUARY A.D. 19 75

at 4:00 P.M. and duly

recorded in Vol. N 75 of MISCELLANEOUS

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Wm. D. Lavin, County Clerk

By Dorothy J. Davidson, Deputy

\$ 4.00

Fee

Dorothy J. Davidson
5531 S 6th
City