

REAL ESTATE NEAR CHILOQUIN, OREGON
U.S. 97 & CHILOQUIN MARKET RD.

PURCHASE OPTION

For and in consideration of \$300.00, receipt of which is hereby acknowledged, the undersigned, hereinafter called "Optionor", hereby grant(s) to C. E. Paddock, hereinafter called "Optionee", an option for a period of 90 days from the date hereof to purchase for the sum of \$30,000.00 and on the terms and conditions hereinbelow set forth the following described property:

A piece, parcel or tract of land, with the buildings and improvements thereon, situated in the City of Chiloquin, County of Klamath, State of Oregon, more particularly described as follows:

That part of Lot 7, Section 4, Township 35 S., Range 7 East, W. M. Oregon described in the following:

Starting at the South East corner of Lot 7, thence North on East Boundary of Lot 7, 232' 6" to point of beginning, thence west on, and conforming, to boundary of Chiloquin Market Road, a distance of 170' 9" to intersection of Chiloquin Market Road with U. S. Highway 97, thence North on and conforming to Boundary of U. S. Highway #97, 196' 6", thence West 10' still conforming and on U. S. Highway #97, thence North 88' 7" on and conforming to U. S. Highway #97 right of way line to North West corner, thence East 121' 9" to North East corner, thence South along East Boundary of Lot 7, 110' to point of beginning.

Together with the buildings, improvements, fixtures, equipment and facilities of the Optionor now located on said premises as follows:

1 - Two bay service station, masonry building and 1 - 5 x 28 Module highway sign.

Together with all the appurtenances thereunto belonging or appertaining, and all right, title and interest which the owner of the abovescribed premises may have in and to any and all roads, streets and ways bounding said premises.

1. The consideration paid for this option and for any extension or renewal of this option shall be applied to the purchase price if, as and when title passes, and the balance of the purchase price shall be paid in cash or by check upon delivery of a satisfactory deed. Optionor shall hold said consideration in escrow and if this option is exercised but title fails to pass for any reason other than optionee's default, optionor shall return said consideration to optionee.
2. The title to the property is to be good and marketable, free and clear of all liens and encumbrances (including, but not limited to, dower and curtesy), except such as optionee in its sole discretion may waive. Costs of title examination and survey shall be borne by the party customarily bearing such expense in the area where property is located. The deed shall be a general warranty deed in proper statutory form for recording. Optionor shall purchase or reimburse optionee for any documentary tax stamps which may be required to be affixed to the deed and, at optionee's election, shall either affix same to the deed or deliver same to optionee at the closing. Title shall be conveyed to optionee or partially or wholly to any nominee designated by optionee.
3. Rents, taxes and utility charges shall be apportioned as of the date of transfer of title.
4. It is understood that optionee desires to use the property for the construction and operation of a gasoline service station substantially in accordance with its customary plans and specifications, and optionor agrees, at optionor's expense, promptly to endeavor to obtain any rezoning or variances and all permits which in optionee's opinion are required for that purpose. In the event optionor fails or is unable to obtain such rezoning, variance or permits, optionee shall have the right, but shall not be obliged, to make application therefor in optionor's or optionee's name, and optionor agrees to furnish optionee with all necessary authority and cooperate with optionee in any proceedings necessary or proper in order to obtain the same. In the event that such rezoning, variance or permits are not obtained or if title is not good and marketable, or if in optionee's opinion ingress and egress to and from any roads, streets and ways bounding the property is not adequate for its intended use, then this option and the contract of purchase created by the exercise thereof shall cancel and terminate, and the consideration paid for the option shall be returned to the optionee, and thereupon neither party shall have any other or further rights against the other.

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5. Optionor understands that optionee is taking options on one or more parcels of land adjoining or adjacent to the premises covered by this option, all of which parcels, together with such premises, optionee proposes to use for service station purposes. Accordingly, optionor agrees that if, after exercising this option, optionee cannot obtain good marketable title to any of such parcels and any rezoning, variance, and permits necessary to use any of said parcels for service station purposes, all without resort to litigation and does not wish to resort to such litigation, then optionee, at its election, may cancel this option and optionor shall refund all monies received hereunder and thereupon neither party shall have any other or further rights against the other.
6. In the event it becomes necessary to deed or dedicate part of the property for highway purposes in order to obtain service station permits, then optionor agrees to reduce the purchase price by an amount which bears the same proportion to the purchase price herein prescribed as the square footage of the property required to be so conveyed bears to the total square footage of the property with respect to which this option is granted; provided, however, that optionee may cancel and terminate the purchase contract created by its exercise of this option in the event the portion of the premises which would remain after such a proposed conveyance would, in its opinion, be unsatisfactory for gasoline service station use, and thereupon optionor shall refund all monies received hereunder and neither party shall have any other or further rights against the other.
7. The optionee shall have the right, during the term of this option or any extension thereof and at any time from and after its exercise of the option, to go on the described premises for the purpose of making surveys, inspections and tests of the property.
8. The purchase shall be closed at the office of the optionee's attorney or title company by the delivery of the deed and other instruments, if any, which may be required by the optionee's attorney or title company, on or before 30 days after the date of the exercise of this option by the optionee. Reasonable adjournments of such closing shall be allowed if required either to complete title examination, to clear title defects, or to obtain governmental permits required by the terms hereof to be obtained prior to such closing; however, if such have not been completed and acquired within 30 days, optionee shall have the right to cancel this agreement in its entirety and optionor shall promptly refund any monies received hereunder. Unless otherwise expressly agreed to in writing, possession of the property, free and clear of occupancy by persons (whether or not under claim or color of right), shall be delivered to optionee at time of closing.
9. Any notice hereunder by optionee to optionor shall be deemed sufficient if in writing and delivered personally to the optionor at the address given below or sent to optionor at such address by telegram or by certified mail, proper postage prepaid. The time of such personal delivery or of the deposit of such notice in the United States mails or with the telegraph company shall be deemed the time when notice was given.
10. Brokerage commissions, if any, due and payable as a result of a conveyance hereunder shall be the sole responsibility and obligation of optionor.
11. Optionee may assign this option and the same shall be binding upon the parties and their respective heirs, executors, administrators, successors and assigns.
12. No prior stipulation, agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in the provisions of this purchase option.

Witness

STATE OF OREGON

County of Klamath

ss.

PETER C. MACFARLANE

LILA M. MACFARLANE

On the 22 day of FEBRUARY, 19 72 AD. Personally appeared C. E. PADDOCK, personally known to me to be the same person who was a subscribing witness to the foregoing instrument, and that he knew PETER C. MACFARLANE AND LILA M. MACFARLANE, the persons described in and who executed the foregoing conveyance, and he acknowledged said instrument to be their voluntary act.

Before Me:

WM. D. MILNE
Notary Public for Oregon
Commission Expires: 7/31/73

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of C. E. PADDOCK

this 22nd day of FEBRUARY A. D., 19 72 at 1204 o'clock P.M., and duly recorded in
Vol. M 72, of DEEDS on Page 1849.

FEE \$4.00

WM. D. MILNE, County Clerk

By W. D. Milne