

13740

OPTION AGREEMENT

Vol. 76 Page 7083

THIS AGREEMENT made this 12 day of May, 1976, between HENRY WOLFF and GERALD WOLFF, hereinafter called "Wolff" and PERLA DEVELOPMENT CO., INC., an Arizona corporation, hereinafter called "Perla".

R E C I T A L S:

A. Wolff is the owner of a parcel of land situate in Section 17 and 18, Township 35 South, Range 7 E.W.M., Klamath County, Oregon, a more particular description is upon a map, which is attached to this agreement, marked as Exhibit "A" and made a part hereof.

B. On June 17, 1974 the parties hereto entered into an Option Agreement, which was duly recorded in Volume M-75 of Deed on page 450 in the office of the Clerk in Klamath County, Oregon, which Option Agreement by its terms expires on May 15, 1976. Perla has heretofore paid \$9,000 as option money under said Option Agreement.

C. Perla desires to subdivide the property described in Paragraph A above and desires to obtain an option on said property to explore the feasibility of said subdivision.

W I T N E S S E T H:

NOW, THEREFORE, in consideration of the sum of Eighteen Thousand and No/100ths (\$18,000.00) DOLLARS, receipt of which is hereby acknowledged, Wolff grants to Perla the sole and exclusive option until March 15, 1977 to purchase the above-described property for the sum of the number of acres (approximately 600 acres) times \$700.00 per acre upon the following terms and conditions:

1. PRIOR AGREEMENT: All prior Option Agreements are hereby declared null and void and of no further force and effect.

2. TERMS: Prior to the expiration of this option, Perla to exercise this option, shall tender to Wolff not less than 10 percent of the total purchase or \$45,000.00, whichever is the

1. OPTION AGREEMENT

greater. The above-mentioned down payment shall include a credit for Perla for the \$9,000.00 option money heretofore made and the \$18,000.00 option money paid under this agreement. Upon the payment of said down payment, Perla shall enter into a contract for the purchase of said property and payment of the balance of the purchase price as follows:

A. 1/20th of the balance, including interest, on or before the 15th day of September, 1977 as amortized over a ten year period.

B. 1/20th of the balance, including interest, on or before the 15th day of March, 1978 as amortized over a ten year period.

C. 1/120th of the balance, including interest, on or before the 15th day of April, 1978 as amortized over a ten year period and a like payment on the 15th day of each month thereafter until the entire balance is paid in full.

If Perla pays a down payment of less than 20%, the interest rate shall be 8%; if Perla pays 20% or more as down payment the interest rate shall be 7½%. However, in no event shall Perla pay more than 29% as a down payment.

Said contract shall further provide for release of acreage upon payment of \$700.00 per acre, or portion thereof, in addition to the semi-annual and monthly payments provided for hereinabove. All releases shall be subject to the prevailing rules of Spokane Federal Land Bank and Wolff shall not increase the mortgage obligation or otherwise encumber the said property during the term of this option. Any additional down payment above 10% of the purchase price, or any additional payments, shall be applied by Wolff to any outstanding mortgages or obligations upon the property.

2. OPTION AGREEMENT

3. POSSESSION: Wolff shall have possession of said property during the term of this option and may keep cattle and equipment on the property, marked on Exhibit "B" attached hereto, until May 15, 1977. It is understood, however, that Perla, without notice or liability to Wolff, will be allowed to go upon the property for purposes of surveying and development in a manner that will not interfere with the Wolff's possession and Wolff will make every attempt to confine his farm activities to those acres that will least interfere with Perla's activities.

4. AD VALOREM TAXES: As additional consideration of this option, Perla agrees to pay 10/12th of the ad valorem taxes as based upon the 1976-1977 tax statement. Said portion of taxes to be paid on or before December 31, 1976.

5. PRIOR LIENS: Wolff shall make suitable arrangements for the satisfaction of all prior liens and encumbrances in the event Perla makes additional payments for the release of acreage as described hereinabove, however, Wolff shall not be responsible for clearing exceptions to the land that are common to the area.

6. MUTUAL ACCESS: In the event that Perla exercises this option, Perla will, if possible, grant to Wolff access to Agency Lake for the benefit of Irish Bend subdivision #1 and #3 in exchange for access to the Williamson River across Irish Bend subdivision, if possible, for the benefit of Oregon Shores #1 and #2.

7. IMPROVEMENTS: All wells, test holes and other improvements made by Perla will be the property of Wolff in the event that Perla does not exercise this option, at no cost to Wolff. Perla shall not allow any lien or encumbrance upon said property and upon Perla's refusal or neglect to remove such lien or encumbrance after 30 days written notice this option may be declared void by Wolff.

3. OPTION AGREEMENT

8. FAILURE TO EXERCISE OPTION: In the event Perla does not exercise this option, then all moneys paid hereon shall belong to Wolff and this agreement shall be void as of March 15, 1977 without any further act of the parties.

9. RECORDING: This option may be recorded in the office of the County Clerk of Klamath County, Oregon.

10. ENTIRE AGREEMENT: This option constitutes the entire agreement between the parties. No representations, warranties, or promises pertaining to this option or any property affected by this option have been made by, or shall be binding on, any of the parties except as expressly stated in this option. This option may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any such change is sought.

11. NOTICES: All notices of exercise or extension of this option shall be in writing and delivered as follows:

Gerald Wolff
P. O. Box 77A
Star Route
Chiloquin, Oregon 97642

Perla Development Co., Inc.
1922 Stradella Road
Los Angeles, California 90024

12. CONSTRUCTION: The interpretation, construction, and performance of this contract shall be governed by the laws and in the Courts of the State of Oregon. The prevailing party in any suit or action shall be awarded attorney fees in addition to costs.

IN WITNESS WHEREOF, the parties have executed and delivered this agreement the day and year first hereinabove written.

PERLA DEVELOPMENT CO., INC., an
Arizona corporation

By: 

President

7087

WOLFF RANCH, INC., an Oregon corporation,

By: Henry G. Wolff
By: Gerald Wolff, Sec.

STATE OF OREGON)
) ss. May 12, 1976.
County of Klamath)

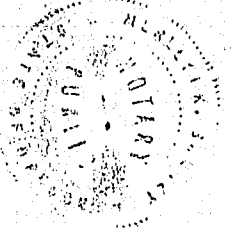
Personally appeared the above-named ROBERT M. PERLA, who, being sworn, stated that he is the President of Perla Development Co., Inc. and acknowledged the foregoing instrument to be signed and sealed in behalf of the corporation by authority of its Board of Directors. Before me:

William K. Swamy
Notary Public for Oregon
My Commission expires: 9-16-77

STATE OF OREGON)
) ss. May 12, 1976.
County of Klamath)

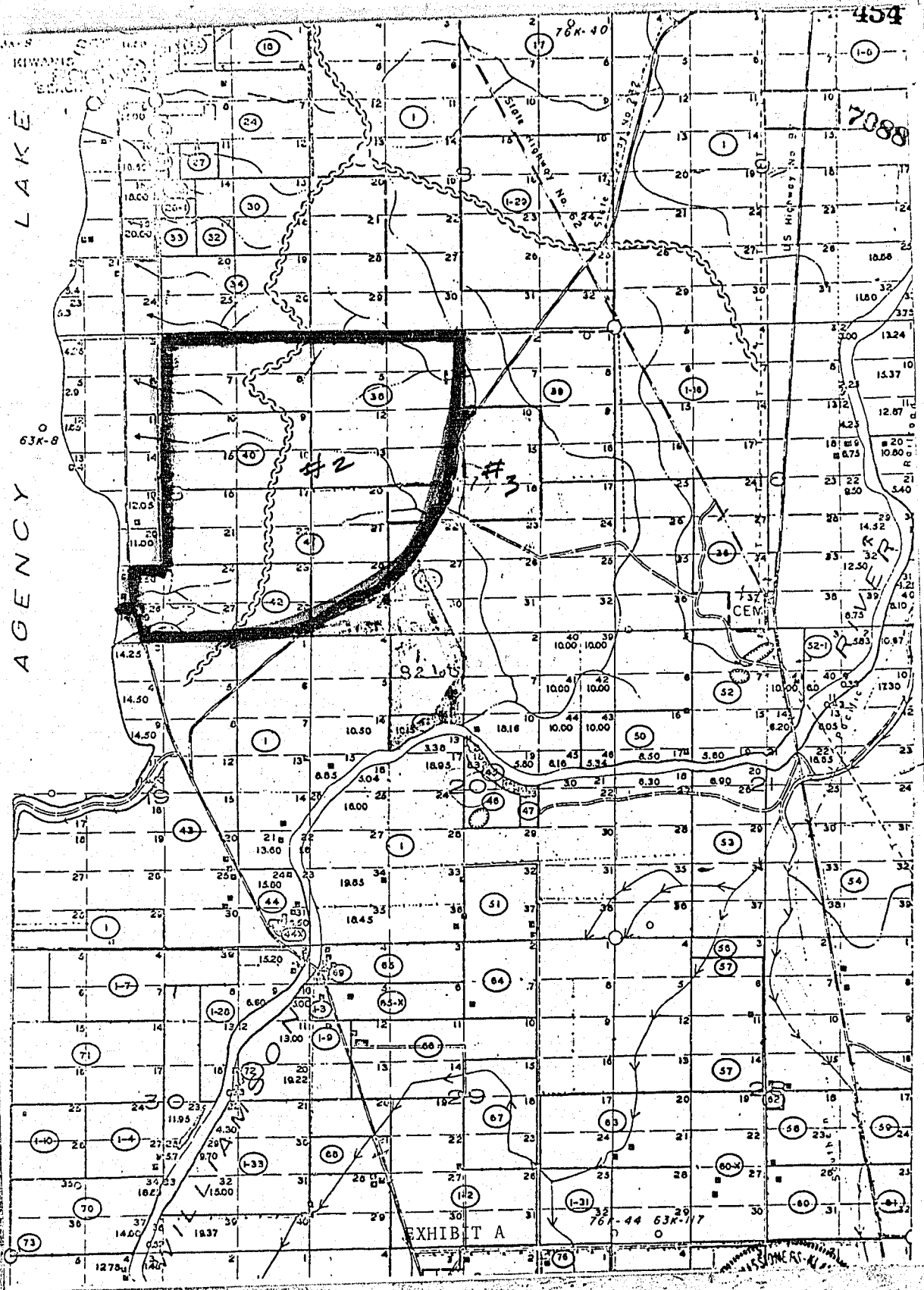
Personally appeared the above-named HENRY WOLFF, who being sworn, stated that he is the President, and Gerald Wolff, who being sworn, stated that he is the Secretary of Wolf Ranch, INC., and acknowledged the foregoing instrument to be signed and sealed in behalf of the corporation by authority of its Board of Directors. Before me:

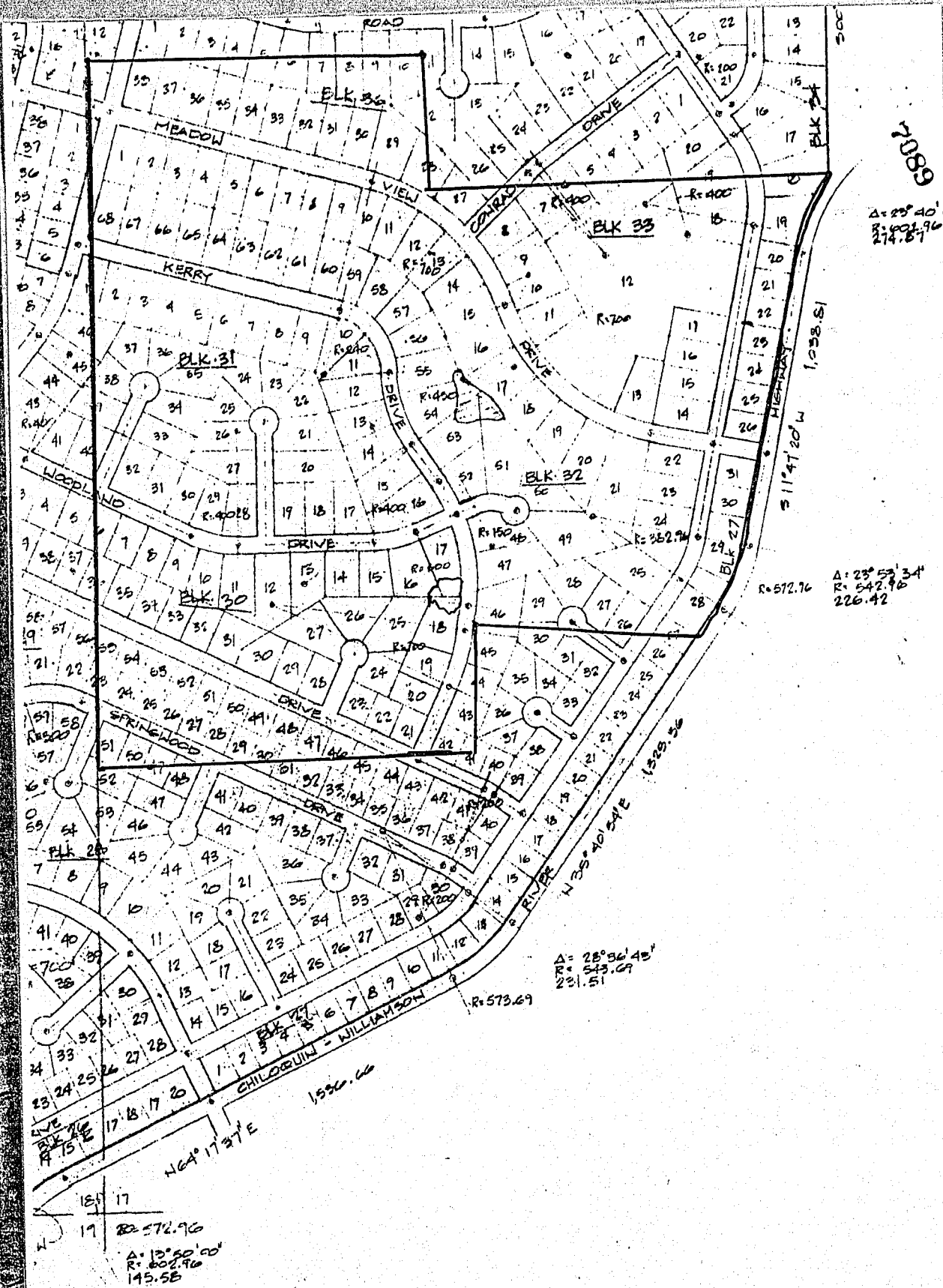
William K. Swamy
Notary Public for Oregon
My Commission expires: 9-16-77



Robert Perla
1922 Stradella Rd.
L.G. 90024

5. OPTION AGREEMENT





CT 1113 - OREGON SHORES

UNIT 2 EXHIBIT "B"
STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 12th day of May A.D., 1976 at 3:16 o'clock P.M., and duly recorded in Vol. 76 of DEEDS on Page 7083.

FEE \$ 21.00

WM. D. MILNE, County Clerk
By Hazel Drazel Deputy