

ADDENDUM TO OPTION AGREEMENT

THIS AGREEMENT made this 11 day of March, 1977, between HENRY WOLFF and GERALD WOLFF, and WOLFF RANCH INC., an Oregon Corporation, hereinafter called "Wolff" and PERLA DEVELOPMENT CO., INC., an Arizona Corporation, hereinafter called "Perla".

RECITALS:

A. This is an ADDENDUM to an OPTION AGREEMENT between the parties hereto dated May 19, 1976 and recorded in Volume M-76 page 7083 in deed records of Klamath County, Oregon, and only modifies said agreement as set out herein.

B. The parties hereto desire to modify and extend said agreement as hereinafter set forth.

WITNESSETH:

NOW, THEREFORE, in consideration of the sum of One Hundred and no/100 (\$100.00) DOLLARS and other valuable consideration, receipt of which is hereby acknowledged, Wolff grants to Perla the sole and exclusive option until May 1, 1977 to purchase the above property for the sum of the number of acres (approximately 580 acres) times \$700 per acre upon the following modified terms and conditions:

1. TERMS: The terms shall be modified in respect to the annual payments as follows:

A. $\frac{1}{2}$ of the annual interest only to be paid six (6) months after the close of escrow and $\frac{1}{2}$ of the annual interest only to be paid one year after the close of escrow.

B. $\frac{1}{14}$ th of the balance, including interest, as amortized over a seven year period, on or before the 18th month after the close of escrow and a like payment each six months thereafter until the entire amount is paid in full with the last payment to be made not later than eight years after the close of escrow.

C. Perla shall not be required to pay for the release of acreage unless Perla makes a cash sale in which case Perla shall pay a release fee of \$500.00 per lot in addition to the semi-annual payments.

D. The security agreement shall be a trust deed from Perla to Wolff rather than a contract as set out in the original agreement.

1. ADDENDUM TO OPTION AGREEMENT

2. FAILURE TO EXERCISE OPTION: In the event Perla does not exercise this option, then all monies paid hereon shall belong to Wolff and this agreement shall be void as of May 1, 1977 without any further act of the parties.

3. TRUST ARRANGEMENT: The parties shall enter into a trust arrangement with Wells Fargo Realty Services, Inc. as trustee which would be standard for subdivisions of this type with Perla to pay all costs and expenses of Wells Fargo Realty Services, Inc. The trust arrangement shall provide among other things the following:

A. That the trust arrangement shall conform to California subdivision law provisions.

B. That Perla shall provide security for protection against liens for the water and road systems prior to installation of said improvements agreeable to Wolff.

C. The water permit #G-6998 shall be transferred to Perla by Wolff at the close of escrow and in the event of default, the same shall be returned to Wolff by Perla through the trust arrangement.

4. PREVIOUS AGREEMENTS: Except as setout herein, all previous agreements shall remain in force and effect.

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: [Signature]
President

WOLFF RANCH, INC., an Oregon
corporation

BY: [Signature]
President

BY: [Signature]
Secretary

[Signature]
Henry Wolff

[Signature]
Gerald Wolff

4601

STATE OF OREGON)
) ss. March 11, 1977.
 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 F. Bine
 Notary Public for Oregon
 My Commission expires: 8-24-77

STATE OF OREGON)
) ss. March 11, 1977.
 County of Klamath)

Personally appeared the above-named HENRY WOLFF, who being sworn, stated that he is the President, and GERALD WOLFF, 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:

Robert M. Perla
 Robert M. Perla
 1922 Stradella Road
 Los Angeles, Ca. 90024

William F. Bine
 Notary Public for Oregon
 My Commission expires: 8-24-77

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record ~~xxxxxx~~

this 18th day of March A.D. 1977 at 3:14 o'clock P. M. and

duly recorded in Vol. M 77 of DEEDS on Page 4599

FEE \$ 9.00

Wm D. MILNE, County Clerk

Hazel Brazile

3. ADDENDUM TO OPTION AGREEMENT

6-00