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OPTION AGREEMENT

THIS AGREEMENT, entered into the 17 day of September, 1976, by and between DONALD E. MCGHEHEY and GRACE G. MCGHEHEY, husband and wife, hereinafter called "Sellers" and A. M. WARMERDAM and JOHN VAN RUITEN, hereinafter called "Buyers".

R E C I T A L S:

A. The Buyers have on the date of this agreement, purchased from Sellers a parcel of property in Klamath County, Oregon, located in Sections 10 and 15, Township 40 South, Range 8 East of the Willamette Meridian.

B. As a portion of the consideration of the above-mentioned sale the Sellers granted to the Buyers the exclusive option to purchase the property hereinafter mentioned.

W I T N E S S E T H:

NOW, THEREFORE, in consideration of the consideration above recited the Sellers grant to the Buyers the sole and exclusive option to purchase the following described property situate in Klamath County, Oregon, to-wit:

Government Lot 1 of Section 11 and Government Lot 1 of Section 10 EXCEPTING THEREFROM any portion lying within the S $\frac{1}{2}$ of the NE $\frac{1}{4}$ of said Section 10, all in Township 40 South, Range 8 East of the Willamette Meridian. SUBJECT to a non-exclusive easement 60' in width for ingress and egress running along the Northerly boundary of said property.

upon the following terms and conditions:

1. PURCHASE PRICE: The purchase price of the lands shall be \$25,000 payable by the Buyers as follows:

(a) Not less than \$2,500 payable at the time of the exercise of this option.

(b) The balance of \$22,500.00 payable in annual installments of \$2,250.00, including interest at 7 percent per annum to be paid upon the anniversary date of the exercise of the option and a like payment each year thereafter until the entire amount is paid in full, however, in any event the entire principal and interest shall be paid in full on the tenth anniversary date following the exercise of this option.

1. OPTION AGREEMENT