

AGREEMENT FOR RIGHT OF REFUSAL

THIS AGREEMENT, Made the day and year hereafter written, between FRANK F. GANONG and THERESA G. GANONG, husband and wife, herein called Ganongs, and WILLIAM S. NICHOLSON, herein called Nicholson,

WITNESSETH:

1.

Ganongs and Nicholson each own an undivided one-half interest in the following-described real property as tenants in common, to-wit:

A portion of Lots 2, 7, and 8, in Block 18 of LINKVILLE (now City of Klamath Falls, Klamath County, Oregon), according to the official plat thereof on file in the records of Klamath County, Oregon, more particularly described as follows:

Beginning at the most Southerly corner of said Lot 2; thence Northwesterly along the Southwesterly line of said Lots 2 and 7, a distance of 240 feet to the Northwesterly line of said Lot 7; thence Northeasterly along the Northwesterly line of said Lot 7, a distance of 8.9 feet; thence Southeasterly, parallel with the Southwesterly line of said Lot 7, a distance of 59.97 feet; thence Northeasterly, at right angles to said Southwesterly line of Lot 7, a distance of 123.30 feet; thence Southeasterly along the Northeasterly line of Lot 8, a distance of 22.65 feet to a point; thence Southwesterly on a line parallel to the Northwesterly line of Lot 8, a distance of 55.28 feet; thence Southeasterly along a line parallel to the line between Lots 7 and 8, 37.15 feet to a point; thence Southwesterly, along the Southeasterly line of Lots 7 and 8, a distance of 27 feet; thence Southeasterly and parallel with the Southwesterly line of said Lot 2, a distance of 120 feet to the Southeasterly line of said Lot 2; thence Southwesterly along said line, a distance of 50 feet to the point of beginning;

TOGETHER WITH that certain perpetual non-exclusive easement to and from The County of Klamath, Oregon, recorded June 27, 1974, in the Deed Records of Klamath County, Oregon, Vol. M74 at page 7954;

with Frank F. Ganong and Theresa G. Ganong holding their undivided one-half interest therein as an Estate by the Entirety.

2.

The parties have heretofore entered into a written sale and purchase agreement dated November 2, 1978. Said sale and purchase agreement is, with the execution of this instrument, hereby canceled and revoked. Pursuant to the said sale and purchase agreement, the parties purchased life insurance policies with Great-West Life Assurance Company. The parties are hereby relieved of any obligation or liability to maintain said policies.

3.

In consideration of the cancellation of the above-mentioned sale and purchase agreement, the parties hereby jointly and mutually agree to enter into a reciprocal agreement of First Right of Refusal to purchase the above-described property upon the following terms and conditions:

A. When used hereinafter, the term "Ganongs" means Frank F. Ganong, Theresa G. Ganong and their heirs at law; and the term "Nicholson" means William S. Nicholson and his heirs at law. As used hereinafter, the term "other owner" means Ganongs or Nicholson and no other person or party.

B. The herein-granted right of refusal is personal to Ganongs and their heirs and to Nicholson and his heirs and may not be assigned to or exercised by any other person or party.

C. Ganongs are entitled to the right of refusal herein granted only for so long as they retain a legal interest in the property. Nicholson is entitled to the right of refusal herein granted only for so long as he retains a legal interest in the property.

D. If at the time that one of the owners, his heirs or assigns, desires to sell his interest in the property, Ganongs or Nicholson own the other interest in the property, then the selling owner shall first offer the property for sale to the other owner, giving him written notice of the price and terms at which he proposes to make said sale. The other owner shall have 60 days to consider the offer and to accept or decline the offer. If he accepts the offer, he shall have 60 days from the date of acceptance to close the purchase. If he declines the offer, or fails to accept it within the 60-day period, or fails to close the purchase within 60 days of acceptance, then the owner desiring to sell his interest may offer and sell his interest to third parties with no further notice or right of refusal to the other owner. Provided, however, that if the selling owner fails to enter into an agreement to sell his interest within twelve months after obtaining the right to offer and sell to third parties, he must re-offer his interest to the other owner.

If during the 60-day period in which the other owner is considering an offer to sell, the selling owner receives a bona-fide offer to purchase from a

third party which differs in price and terms from the offering being considered by the other owner but which the selling owner desires to accept, then the selling owner shall notify the other owner of the price and terms of the bona-fide offer and the other owner shall have ten days to agree to purchase the property at the price and terms of the bona-fide offer. If the other owner agrees to purchase the property at the price and terms of the bona-fide offer, he shall have the same number of days to close the purchase as was provided for in the bona-fide offer.

E. In the event an owner receives a bona-fide offer for the purchase of his interest in the property at a time when a notification to the other owner, as set forth in paragraph (3.D) above, is not in effect and he desires to accept the bona-fide offer, he shall first make a written offer to sell his interest to other owner upon the same price and terms as the bona-fide offer. The other owner shall have 60 days to consider the offer and to accept or decline to purchase the interest upon the terms of the bona-fide offer. If the other owner declines the offer or fails to accept the offer within the 60-day period or fails to close the purchase within the time allowed on the bona-fide offer, then the selling owner may sell his interest to any third party.

F. It is the express understanding of the parties that for so long as this agreement is in effect a selling owner shall never sell his interest in the property to a third party at a price less than or on terms more lenient than those last offered to the other owner. However, subject to the time periods set forth above, a selling owner may offer his interest for sale and may sell his interest for a price greater than and/or on terms more stringent than those last offered to the other owner.

G. It is the express understanding of the parties that the selling owner shall consent to the assumption by the other owner of any encumbrances then existing against the property as one of the terms of the sale.

4.

It is understood and agreed that the right herein granted does not apply to any sale or gift by any owner to any of his or her heirs at law. Provided, however, that the rights herein granted inure to and are binding on the

owners' heirs. Failure of an other owner to exercise his right of refusal as to one transfer shall not constitute consent to other transfers without notice or waiver of this agreement.

5.

This agreement shall without any act being required of any party terminate and be of no further effect at such time as neither Ganongs or their heirs nor Nicholson or his heirs own a legal interest in the property described in paragraph (1) above.

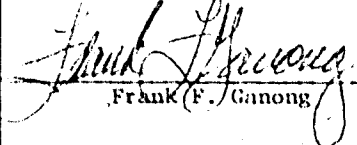
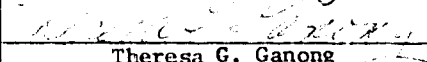
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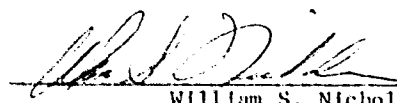
The selling owner shall make a reasonable attempt to make personal delivery of an offer to sell his interest to the other owner; however, if the selling owner is unable to locate the other owner, he may deliver the offer to the other owner by depositing the same in a United States Post Office within the State of Oregon addressed to the other owner at his last known address, certified mail, return receipt requested, postage prepaid; and such offer shall be conclusively deemed to have been delivered to and received by the owner to whom addressed three days after the date the same was so deposited in the Post Office.

7.

In the event suit or action is instituted to enforce any of the terms of this agreement, the prevailing party shall be entitled to recover from the other party such sum as the Court may adjudge reasonable as attorneys' fees at trial or on appeal of such suit or action, in addition to all other sums provided by law.

IN WITNESS WHEREOF, the parties have hereunto set their hands this 27<sup>TH</sup> day of March, 1980.

  
\_\_\_\_\_  
Frank F. Ganong  
  
\_\_\_\_\_  
Theresa G. Ganong

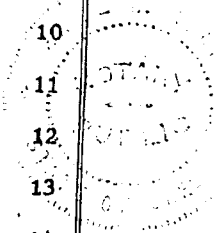
  
\_\_\_\_\_  
William S. Nicholson

1 STATE OF OREGON )  
2 ) ss.  
3 County of Klamath )

4 On this 27<sup>th</sup> day of March, 1980, personally appeared the  
5 above-named Frank F. Ganong and Theresa G. Ganong, husband and wife, and  
6 William S. Nicholson and acknowledged the foregoing instrument to be their  
7 voluntary act and deed.

8 BEFORE ME:  
9 (SEAL)

*[Signature]*  
Notary Public for Oregon  
My Commission expires: 12/14/81



14 STATE OF OREGON; COUNTY OF KLAMATH; ss.  
15 Filed for record at request of Wm. F. Ganong, Atty.  
16 this 28th day of March A. D. 1980 at 11:44 o'clock A.M., and  
17 duly recorded in Vol. 4810, of Deeds on Page 5344

18 Wm D. MILNE, County Clerk  
19 By *[Signature]*  
20 Fee \$17.50

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22  
23  
24  
25  
26  
27  
28  
29 RETURN TO  
30 BANNISSETT  
31 GANONG  
32 323 1st Ave

WM. M. GANONG  
ATTORNEY AT LAW  
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