

K. 34475

OPTION TO PURCHASE LAND

Option, granted March 31, 1981, by DALE W. RING and LUCILLE M. GIVAN (hereafter "the Optionors") and ROBERT J. CAMPBELL, JOAN C. CAMPBELL, RONALD W. BOEHLKE and KATHERINE H. BOEHLKE as tenants in common, a 2/3 interest and LLOYD M. FARLEY, a 1/3 interest (hereafter "the Optionees").

RECITALS

A. Optionors are the owners of real property in Klamath County, Oregon described in Exhibit A (hereafter "the Property").

B. Optionors desire to grant Optionees an option to purchase the Property on the terms contained herein.

C. Optionees desire to use the Property for development purposes and Optionors agree to allow Optionees to have possession of the property.

AGREEMENT

1. Grant of Option: In consideration of the sum of \$30,000 paid by the Optionees to the Optionors, receipt of which is hereby acknowledged, the Optionors hereby grant to the Optionees the exclusive option to purchase the property.

2. Expiration Date: The term for the exercise of this option shall terminate midnight, May 15, 1982, but this option may not be exercised prior to April 1, 1982.

3. Notice of Exercise: This option is to be exercised by the Optionee upon the occurrence of the following:

3.1. Giving Optionor 30 days written notice of the intent to exercise the option.

3.2. Depositing the down payment of \$12,000 in escrow with Klamath County Title Co.

3.3. Execution of a note, deed of trust and escrow instructions at Klamath County Title Co.

4. Purchase Price: The total purchase price shall be \$127,500 to be paid by Optionees according to the following terms:

4.1. Optionees shall be credited the \$30,000 paid pursuant to section 1, above.

4.2. The remaining balance of \$97,500 shall be paid \$12,000 upon delivery of a Warranty Deed and the balance shall be paid in annual installments of not less than \$12,000 each, including interest at the rate of 10% per annum on the unpaid principal balance until the entire purchase price including both principal and interest is paid in full. Interest on all unpaid balances shall commence on date of exercise of the option. The first payment shall be due one year from exercise of the option.

5. Failure to Exercise Option: If Optionees do not exercise this option as herein provided, the sum of \$30,000 paid by Optionees shall be retained by Optionors, free of all claim of

the Optionees, and neither party shall have any rights or claims against the other.

6. Assignment: This agreement and all rights hereunder on the part of the Optionees may not be assigned without the prior written consent of Seller. Such consent shall not be unreasonably withheld by Optionors.

6.1. Optionees or their assigns may assign this option to an entity of which any of Optionees or their assigns is a partner or shareholder.

7. Partial Release of Deed of Trust: The deed of trust required in section 3.3 of this agreement shall encumber all of the Property except the northerly 217 feet. Provided Grantor is not in default under the terms of said deed of trust, they shall be entitled to release said deed of trust on portions of the Property on the following terms and conditions:

7.1. Any time after exercise of the option, the Grantors shall be entitled, upon written request to the beneficiary, to a partial release of a parcel equal to \$1.10 for each square foot of the parcel to be released.

7.2. The requested partial releases shall begin at the

north line portion of the Property encumbered and continue toward the south contiguously.

8. Deed: Upon exercise of the option as described in section 3, above, Optionors shall execute a Warranty Deed naming Optionees or their assignees as grantees.

9. Possession: Optionees shall be granted possession of the property within 45 days of the execution of this agreement. Optionees may carry on any activities necessary to prepare the Property for development, including but not limited to grading, leveling and removing existing structures.

10. Liability Insurance: Optionees shall save Optionors harmless from any claim, loss or liability arising out of or related to any activity of Optionees on the Property undertaken under section 8 of this agreement.

10.1. During the term of this option, Optionees shall maintain public liability and property damage insurance in a responsible company with limits: of not less than \$300,000 for injury to one person and \$300,000 for injury to two or more persons in one occurrence, and \$100,000 for damage to property.

11. Notice: Any notice under this option shall be in writing and shall be effective when actually delivered or when deposited in the mail, registered or certified, addressed to the parties at the addresses set forth below or such other addresses as either party may designate by written notice to the other:

TO OPTIONOR:

P. O. Box 393
Klamath Falls, Oregon 97601

TO OPTIONEES:

20506 Klahani
Bend, Oregon 97701

12. Successor Interest: The covenants, conditions and terms of this agreement shall extend to and be binding upon and inure to the benefit of the parties, their successors and assigns.

13. Subordination: The trust deed delivered by Optionees under section 3.3, above, shall provide that it may be subordinated to any encumbrance related to the financing of the development of the Property by Optionees, and that upon subordination the interest rate on the unpaid principal balance on the note given by Optionees shall increase from 10% to 12% per year.

14. Interests of Optionees: Robert J. Campbell, Joan C. Campbell, Ronald W. Boehlke and Katherine H. Boehlke shall have an undivided 2/3 interest and Lloyd M. Farley shall have an undivided 1/3 interest in this option.

IN WITNESS WHEREOF, the Optionors have signed and acknowledged this Option the date first written.

OPTIONORS

Dale W. Ring
Dale W. Ring

Lucille M. Givan
Lucille M. Givan

OPTIONEES

Robert J. Campbell
Robert J. Campbell

Joan C. Campbell
Joan C. Campbell

Lloyd M. Farley
Lloyd M. Farley

Ronald W. Boehlke
Ronald W. Boehlke

Katherine H. Boehlke
Katherine H. Boehlke

EXHIBIT A

We have searched our Tract Indices as to the following described property:

That property situated in the County of Klamath, State of Oregon, being in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Sec. 1, Township 39 South, Range 9 East of the Willamette Meridian, and being more particularly described as follows:

Beginning at a point 989.8 feet East of the Northwest corner of the NE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 1, Township 39 South, Range 9 East of the Willamette Meridian, on the North boundary of said NE $\frac{1}{4}$ of SW $\frac{1}{4}$; thence South at right angles 936.8 feet, more or less, to the North boundary of the State Highway; thence Southeasterly along said line of Highway to intersection with a line running North and South and parallel to the first course and distant 110.5 feet East of the first course; thence North along said line 1041.7 feet; thence West along the North line of said NE $\frac{1}{4}$ of SW $\frac{1}{4}$ 110.5 feet to the point of beginning. Saving and excepting that portion deeded to the State of Oregon, recorded in M-72 on page 8068.

STATE OF OREGON)

) ss.

County of Klamath)

9826

On this 22 day of April, 1981, before me appeared the within named DALE W. RING, known to me to be the identical individual described in and who executed the within instrument, and acknowledged to me that he executed the same freely and voluntarily.

Dan L. Ferland
NOTARY PUBLIC FOR OREGON

My Commission Expires: 10/1/83

STATE OF Ark)

) ss.

County of Logan)

On this 12th day of May, 1981, before me appeared the within named LUCILLE M. GIVEN, known to me to be the identical individual described in and who executed the within instrument, and acknowledged to me that she executed the same freely and voluntarily.

Do A. Watts
NOTARY PUBLIC FOR

My Commission Expires: 1-01-82

STATE OF OREGON)

) ss.

County of Klamath)

On this 22 day of April, 1981, before me appeared the within named LLOYD M. FARLEY, known to me to be the identical individual described in and who executed the within instrument, and acknowledged to me that he executed the same freely and voluntarily.

Dan L. Ferland
NOTARY PUBLIC FOR OREGON

My Commission Expires: 10/1/83

STATE OF OREGON)

) ss.

County of Klamath)

On this 1st day of June, 1981, before me appeared the within named ROBERT J. CAMPBELL and JOAN C. CAMPBELL, known to me to be the identical individuals described in and who executed the within instrument, and acknowledged to me that they executed the same freely and voluntarily.

Danna D. Seatt
NOTARY PUBLIC FOR OREGON

My Commission Expires: NOV. 19, 1984

STATE OF OREGON)

) ss.

County of Klamath)

On this 1st day of June, 1981, before me appeared the within named RONALD W. BOEHLKE and KATHERINE H. BOEHLKE, known to me to be the identical individuals described in and who executed the within instrument, and acknowledged to me that they executed the same freely and voluntarily.

Danna D. Seatt
NOTARY PUBLIC FOR OREGON

My Commission Expires: Nov. 19, 1984

STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 2nd day of June A.D., 1981 at 1:52 o'clock P.M., and duly recorded in

Vol. MB1 of Deeds on Page 9821

Fee \$ 24.50

By Debra Gandy deputy