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Vol. 1177 Page 37422



KNOW ALL MEN BY THESE PRESENTS, That KERRIT WHITTEMORE and RICHARD WHITTEMORE, tenants in common

hereinafter called the owner, in consideration of \$ 5,000.00 paid to owner by KLAMATH PACIFIC CORP., an Oregon corporation and JERRY O. ANDERSON and ELIZABETH ANDERSON, husband and wife

hereinafter called the second party, the receipt of which hereby is acknowledged by the owner, has given and granted and does hereby give and grant unto the second party the sole, exclusive and irrevocable right and option for a period commencing this date and ending the 2 years from RECORDING OF OPTION, 19 (hereinafter for brevity called the expiration date) to purchase the following described real property in Klamath County, State of Oregon, to-wit:

See Attached Exhibit "A"

46604 Aspen Title & Escrow Inc.

97 NOV 12 P 3 38

at and for a price of \$ 140,000.00, payable at the times and in the manner following:

The consideration of \$5,000.00 for this option shall be deducted from the price of \$140,000.00 in the event that second party exercises their option within the two year time frame allotted. Should the second party not exercise their option within the time allowed, the \$5,000.00 shall be retained by the owner. The balance of \$135,000.00 due to exercise the option shall be due and payable in cash upon the exercise of said option not later than two years from the date this option is executed. Real Property taxes shall be proportioned at the time the 1997/98 tax bill is issued. And the owner and second party shall pay their pro-rata shares of the 1997/98 taxes due. During the term of this option, the second party shall pay subsequent years taxes when due and provide proof of same to owner.

If the second party elects to exercise this option, second party shall deliver written notice thereof to the owner on or before the said expiration date; And a copy of said notice shall be mailed to Aspen Title & Escrow Inc. at 525 Main Street, Klamath Falls, Oregon 97601.

Upon the expiration of this option period, should second party not elect to exercise said option, and upon demand by owner, second party shall deliver to owner their executed Bargain and Sale Deed releasing their interest in the subject property.

If the second party elects to exercise this option, second party shall deliver written notice thereof to the owner on or before the said expiration date; said notice shall be accompanied by a cashier's check or by a certified check made payable to the owner in the amount of \$5,000.00, to be applied on said purchase price. In lieu of making manual delivery of said notice and check, the second party may place the same in a sealed envelope addressed to the owner at the owner's address below, said envelope then to be deposited in the United States registered mails, with postage thereon fully prepaid, and delivered at the owner's said address on or before said expiration date.



If this option is exercised, then for the purpose of closing the sale and purchase of said premises, the parties hereto hereby constitute and appoint Aspen Title & Escrow Inc. 325 Main Street, Klamath Falls, Oregon 97601 as their escrow agent. Within five days after the delivery of second party's said notice of election to purchase, the owner shall deposit owner's deed with said escrow agent and the second party shall deposit with said escrow agent all sums of money required by the above terms of said sale to be paid by second party on the delivery of deed, together with all written instruments, fully executed, whatsoever required of second party at said time. The owner's deed mentioned above shall be a good and sufficient warranty deed conveying said described property to the second party, second party's heirs and assigns, free of all incumbrances excepting zoning ordinances, building, use and other restrictions of record and the following incumbrances:

If the property includes housing constructed prior to 1978, see attached Seller's Disclosure of Information on Lead-Based Paint and or Lead-Based Paint Hazards (S-N Form No. 503).

Upon said deposit in escrow being made, the owner and the second party shall execute and deliver to the said escrow agent suitable and appropriate escrow instructions which shall direct and authorize said escrow agent to deliver the owner's said deed to the order of the second party to deliver to the order of the owner the moneys and written instruments so deposited by the second party as soon as the owner has delivered to the escrow agent for the grantee named in said deed a policy of title insurance issued by a reputable title insurance company authorized to do business within the State of Oregon, insuring (in a sum equal to said option price) the owner's marketable title in and to said real estate, free and clear of all incumbrances whatsoever excepting only those above stated and the usual printed exceptions.

Should said option be exercised and should either party hereto fail to deposit the written instruments and the moneys required of them to be deposited pursuant to the foregoing terms and conditions, or should the owner fail to deliver to the escrow agent said title insurance policy within fifteen days after the execution and delivery of said escrow instructions, each party may withdraw from escrow all moneys and written instruments previously deposited by them.

All adjustments between the parties relative to taxes, insurance premiums, interest, rents and other matters shall be made as of the date of delivery of deed out of escrow; the expense of title insurance and preparation of deed shall be borne by the owner; the fees and expenses of the escrow agent shall be shared equally between the owner and the second party.

The owner covenants and agrees to and with the second party that owner is the owner of said property and has a valid right to sell and convey the same and to contract so to do.

This document is an option and nothing more than an option and does not pass to or vest in the second party any right, title or interest whatsoever in or to the said described real estate. In the event that the second party does not so elect to exercise second party's said option within the time and in the manner stated, time being of the essence hereof, this instrument forthwith shall become null and void and of no further force or effect.

This contract shall bind and inure to the benefit of, as the circumstances may require, not only the immediate parties hereto but their respective heirs, administrators, executors, successors-in-interest and assigns as well.

It is understood that either party hereto may be more than one individual or a corporation; therefore, the parties hereto agree that if the context and the circumstances so require, the singular includes the plural and that all grammatical changes shall be made so that the provisions of this agreement shall apply equally to individuals and to corporations. If the owner is a corporation, it has caused its name to be signed and its seal affixed by an officer duly authorized thereto by order of its board of directors.

IN WITNESS WHEREOF, the owner has executed this option on 11-19-97, 1997.

Insert Date here

x Kenneth Whittemore  
Kenneth Whittemore

x Richard Whittemore  
Richard Whittemore

(OWNER'S ADDRESS)

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS WHICH, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND WHICH LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.90 IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEED TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND EXISTENCE OF FIRE PROTECTION FOR STRUCTURES.

IMPORTANT NOTICE: If the one who gives the above option is a creditor and the one to whom it is given is a customer as those words are defined in the Truth-in-Lending Act and Regulation Z, legal advice should be obtained as to whether Disclosures and other notices are required -- and when. For a Notice of Right to Cancel see Stevens-Ness Form No. 1324 and for a Notice of Non-Cancellation, Form No. 1315.

STATE OF OREGON, County of Deschutes ss.

This instrument was acknowledged before me on NOV 10, 1997,  
by Kenneth Whittemore

This instrument was acknowledged before me on \_\_\_\_\_, 19\_\_\_\_,

by \_\_\_\_\_,

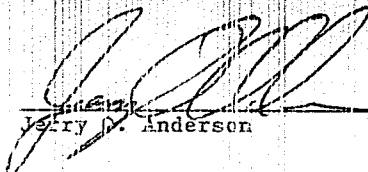
as \_\_\_\_\_,

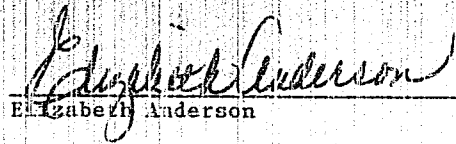
of \_\_\_\_\_.



OFFICIAL SEAL  
BROWN W COLE  
NOTARY PUBLIC-OREGON  
COMMISSION NO. 057736  
MY COMMISSION EXPIRES SEP 19, 2000

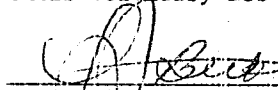
Richard Whittemore  
Notary Public for Oregon  
My commission expires 9/19/2000

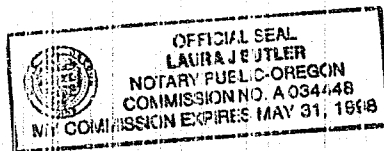
  
 Jerry O. Anderson

  
 Elizabeth Anderson

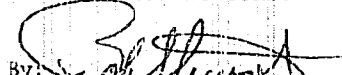
State of Oregon, County of Klamath )ss.

On this 12<sup>th</sup> day of November 1997, personally appeared Jerry O. Anderson and Elizabeth Anderson and acknowledged the foregoing instrument to be their voluntary act and deed.

  
 My Commission Expires: 5/31/98  
 Notary Public for Oregon




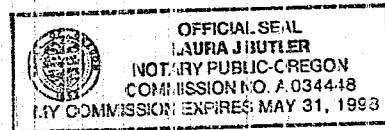
KLAMATH PACIFIC CORP.

  
 By: Bob Stewart  
 Bob Stewart, President

State of Oregon, County of Klamath )ss.

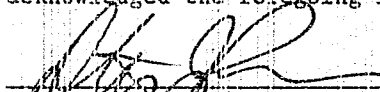
On this 12<sup>th</sup> day of November 1997, personally appeared Bob Stewart as President of Klamath Pacific Corp., an Oregon corporation on behalf of the corporation.

  
 My Commission Expires: 5/31/98  
 Notary Public for Oregon



First Judicial District  
 State of Alaska, County of \_\_\_\_\_ )ss.

On this 3 day of November 1997, personally appeared Kermit Whittemore and acknowledged the foregoing instrument to be his voluntary act and deed.

  
 My Commission Expires: 12-12-99  
 Notary Public for \_\_\_\_\_

## EXHIBIT "A"

## PARCEL 1:

Beginning at an iron pin which lies 680.9 feet East of the Northwest corner of the NE 1/4 SW 1/4 of Section 1, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, running thence continuing East a distance of 185 feet to a point; thence South 817.1 feet to a point on the North right of way line of the Dalles-California Highway; thence North 46 degrees 07' West along the North right of way of the Dalles-California Highway and 30 feet at right angles Northerly from its center line a distance of 170 feet to an iron pin; thence in a Northwesterly direction a distance of 700 feet, more or less, to the point of beginning, said tract situated in the NE 1/4 SW 1/4 of Section 1, Township 39 South, Range 9 East of the Willamette Meridian.

## PARCEL 2:

Also beginning at a point 939.8 feet East of the Northwest corner of NE 1/4 SW 1/4 of Section 1, Township 39 South, Range 9 East of the Willamette Meridian in the County of Klamath, State of Oregon, on the North boundary of said NE 1/4 SW 1/4; thence South at right angles 936.3 feet, more or less, to the North boundary of the Dalles-California Highway; thence Northwesterly along the said North line of said highway to an intersection with a line running North and South and parallel to first course herein described and 124 feet West along the North boundary line of said NE 1/4 SW 1/4 from the point of beginning; thence North 817.1 feet, more or less to the North line of said NE 1/4 SW 1/4; thence East along said line 124 feet to the point of beginning.

SAVING AND EXCEPTING THEREFROM that portion deeded to State of Oregon, by and through its State Highway Commission under Warranty Deed from Connie A. Whittemore dated June 12, 1973, recorded June 25, 1973 in Volume M-73 at Page 7954, Deed Records of Klamath County, Oregon.

CODE 43 MAP 3909-1CA TL 300

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 12th day  
of November A.D., 19 97 at 3:38 o'clock P. M., and duly recorded in Vol. M97  
of Deeds on Page 37422.

FEE \$25.00

By Bernetha G. Leisch, County Clerk  
Kathleen Brown