

50220

97 DEC 16 P3:18
OPTION TO PURCHASE
 K50160E4

Vol. 1997 Page 40882

Robert F. Brown agrees to grant Tom D. Bengard and Terry M. Bengard an option to purchase the property described in "Exhibit A" attached. Herein, Robert F. Brown will be referred to as the optionor and Tom D. Bengard and Terry M. Bengard will be referred to as optionees. The purchase price of the above described property will be \$1,802,000.00. The optionor agrees that he will participate in a 1031 tax exchange at no extra cost to him.

This option will be subject to optionees' inspection and approval of the property within 30 days of acceptance of the above option by the optionor. If optionees approve above property, they will put up \$10,000.00 to secure above property and monies will become non-refundable.

This option will go into effect after the 30 day inspection period and will be in effect until November 1, 1998. Optionees may exercise this option at any time before this date.

When option is exercised by optionees, a contract and receipt for earnest money will be signed by both parties and an escrow will be opened to complete purchase of the property. The option money will be held in a trust account until close of escrow.

The optionor and the optionees agree to the above terms as witnessed by their signatures below.

Robert F. Brown 12/15/97
 ROBERT F. BROWN DATE

Tom D. Bengard 12/15/97
 TOM D. BENGARD DATE

Terry M. Bengard 12/15/97
 TERRY M. BENGARD DATE

STATE OF OREGON,

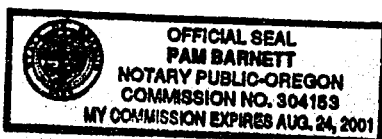
County of Klamath } ss.

FORM NO. 23 — ACKNOWLEDGMENT
 STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

BE IT REMEMBERED, That on this 15th day of December, 1997
 before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within
 named Robert F. Brown, Tom D. Bengard and
Terry M. Bengard

known to me to be the identical individual... described in and who executed the within instrument and
 acknowledged to me that they executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed
 my official seal the day and year last above written.



Pam Barnett
 Notary Public for Oregon.
 My Commission expires Aug. 24, 2001

CONTRACT & RECEIPT FOR EARNST MONEY

THIS IS A LEGALLY BINDING CONTRACT. IF YOU DO NOT UNDERSTAND IT, YOU SHOULD CONSULT A LAWYER BEFORE SIGNING.

1. NOTICE: Some words and phrases in this Contract appear in bold print. These words and phrases are defined in Part 6 B, Definitions and Construction. Part 6 is included in Buyer's offer and Seller's acceptance.

FINAL ACKNOWLEDGMENT OF AGENCY RELATIONSHIPS

TO BE COMPLETED AT TIME OF Contract: The following agency relationship(s) in this transaction is (are) hereby consented to and acknowledged for the subject property address or legal description set out in Part 1, Section A, "The Property"

(a) BDB HESSELTINE (selling real estate licensee) of HESSELTINE REALTY (name of real estate organization) is the agent of (check one); ☒ the buyer exclusively as an agent of the buyer. ☐ the seller exclusively as an agent of the seller. ☐ both the seller and the buyer as set out in the in-company agreement.

(b) DOTTIE FREDERICO (listing agent if not the same as selling agent) of ERA WILKINSON & ASSOCIATES (name of real estate organization) is the agent of (check one); ☒ the seller exclusively as seller's agent. ☐ both the seller and the buyer as set out in the in-company agreement.

ACKNOWLEDGED

Seller R.F. Brown Dated 12/15/97 Buyer Thomas D. Bengard Dated 12/15/97
Buyer Tom D. Bengard Dated 12/15/97

PART 1 - BUYER'S OFFER

THE BUYERS ACKNOWLEDGE THEY HAVE RECEIVED THE AGENCY DISCLOSURE FORMS REQUIRED BY LAW

A. Parties, Property, Price and Term:**(1) Parties**Buyer BENGARDSeller BROWN**(2) The Property**

Seller owns the property described below. Buyer agrees to buy the property described below and Seller agrees to sell it to Buyer.

(a) Real Property DescriptionThe real property is legally described as SEE ATTACHEDThe real property is located in or near the City of FORT Klamath County of KLAMATH State of ORThe real property is commonly known as (street address) INDUSTRIAL RD.

(Either licensee is authorized to attach the correct legal description before settlement if unavailable at time of signing).

(b) Additional Property**1. Fixtures and Condition of Systems**

The following will be left upon the premises as part of the property purchased and included in the purchase price: (a) all existing light fixtures and bulbs, fluorescent lamps, window and storm screens, storm windows and doors, attached floor coverings, attached television antennas, curtains, towel and drapery rods, shrubs and trees; and (b) all fixtures except: _____

The following shall be in good working order: irrigation, plumbing, cooling and heating equipment, including oil tanks.

2. Personal PropertyThe following personal property is also included as part of the property: 2 BEDROOM MOBILE HOME NOW EXISTING ON PROPERTY**(3) Purchase Price of the Property**

Buyer agrees to pay Seller in U. S. Dollars the purchase price of:

\$ 1,802,000**(4) Terms**

Buyer agrees to pay Seller the purchase price as follows:

(a) Earnest Money ☐ cash ☐ check ☐ note (_____)\$ 10,000.00(b) Additional earnest money ☐ on Seller's Acceptance ☐ on (date _____)\$ 1,000,000.00(c) Upon acceptance of title and delivery of ☒ deed or ☐ contract\$ 1,100,000.00

(d) The balance of:

AT BUYER'S ELECTIONshall be paid as follows: SELLER TO CARRY BACK NOTE SECURED BY DEED OF TRUST UP TO THE AMOUNT OF \$702,000 @ RATE AGREED BY SELLER AND BUYER BEFORE CLOSING OF TRANSACTION.Will Buyer assume Seller's debt? ☐ Yes ☒ No If yes, will Buyer pay (in addition to the purchase price) (a) any required assumption costs? ☐ Yes ☐ No; (b) any sums in the reserve account of any indebtedness assumed as of the proration date? ☐ Yes ☐ No.**(5) Non-Assignment by Buyer**

If Seller is extending credit to Buyer after settlement of this sale, Buyer may not assign his rights in this Contract or any security device to be delivered at closing without prior written consent of Seller.

B. Buyer's Contingencies**(1) Financing**This sale ☐ is ☒ not subject to Buyer obtaining a loan, and is not subject to settlement of the sale or purchase of any property in which Buyer holds an interest unless otherwise stated in this Contract. If this sale is subject to Buyer obtaining a loan, Buyer agrees to submit Buyer's written loan application not later than _____, 19____. Buyer agrees to use Buyer's best efforts to obtain a loan. If this sale is to be financed, any discount required by lender will be paid as follows: by Seller \$_____; by Buyer \$_____.**(2) Other Contingencies:**

FOR ADDITIONAL TERMS AND BUYER'S CONTINGENCIES SEE ATTACHED ADDENDUM "_____".

C. Closing and Settlement**(1) Deed**The real property will be conveyed by Statutory Warranty Deed, unless otherwise agreed. The property will be conveyed free and clear of all liens and encumbrances except: zoning ordinances, covenants, conditions and restrictions, building and use restrictions, easements of records, and THOSE APPARENT & COMMON TO THE AREA

I HAVE REVIEWED ALL TERMS ON THIS PAGE AND HAVE RECEIVED A TRUE, LEGIBLE COPY OF THIS PAGE AND THE ENTIRE CONTRACT.

73. THE MANNER IN WHICH THE PARTIES' NAMES ARE USED IN A DEED OR CONTRACT CAN HAVE LEGAL AND TAX CONSEQUENCES. IF BUYER,
74. DOES NOT UNDERSTAND THE CONSEQUENCES, BUYER IS ADVISED TO CONSULT A LAWYER AND/OR AN ACCOUNTANT BEFORE SIGNING.

Buyer directs that the deed or contract be prepared in the name of TOM D. AND TERRY M. BENGARD
OR ASSIGNEE'S B206 HUSBAND & WIFE

(2) Escrow Agent and Escrow Fees

This sale will be closed in escrow by KLAMATH COUNTY TITLE CO. as escrow agent.
Escrow fees shall be paid by Seller if Buyer obtains Federal V.A. financing; otherwise, escrow fees shall be paid equally by Seller and Buyer.

(3) Settlement Date

Settlement of this sale shall be on ON OR BEFORE NOVEMBER 15, 1997 or as soon thereafter as closing documents are prepared, but not to exceed _____ business days (ten, if not filled in) from the date stated.

(4) Prorations

Seller and Buyer agree to prorate the following items: taxes for the relevant tax year, rents, interest and other items. The date of proration shall be N/A, 19____. Buyer agrees to pay Seller for any fuel in storage tanks at the date of possession.

(5) Possession Date

Possession of the property is to be delivered to Buyer (check one only) ☒ on the settlement date; ☐ _____ days after the settlement date; ☐ DATE, 19____, or as soon thereafter as existing laws and regulations will permit removal of tenants, if any.

(6) Preliminary Title Report

Seller will choose a title insurance company. Seller will furnish a preliminary title report to Buyer before settlement. The preliminary title report will show the condition of the title of the real property.

(7) Title Insurance Policy

Seller will pay for and furnish to Buyer a standard owner's title insurance policy at closing. The title insurance policy will be in the amount of the purchase price of the real property. The title insurance policy will show good and marketable title to the real property. Buyer will pay all additional premiums if an extended coverage title policy is ordered for Buyer's benefit.

(8) Payment of Money Owed Against the Real Property

Money owed against the real property by Seller may be paid out of the purchase money at settlement, if Seller so chooses.

(9) No Reliance on Non-Written Representations of Licensees

The parties acknowledge that no party has received or relied on any representation made by any licensee which is not written in this Contract.

D. Seller's Representations

(1) No Notice of Liens

Seller has no notice of any liens to be assessed against the real property.

(2) Water

If the property's water is supplied by a water well, Seller represents that: (a) The water well has provided enough water for household use year-round; (b) To the best of Seller's knowledge, the water is fit for human consumption; (c) To the best of Seller's knowledge the continued use of the well water is allowed under all relevant laws, ordinances and regulations. If Seller accepts Buyer's offer, Seller will have, at Seller's expense, any water well that supplies water for domestic use tested for nitrates and total coliform bacteria as required by ORS 448.271.

(3) Smoke Detector

At the earlier of possession or the settlement date, Seller represents the real property will have an operating smoke detector as required by law.

(4) Insurance

Seller will keep the real property insured until settlement.

E. Seller's/Licensee's Disclaimers

(1) Asbestos

Seller does not make any representation regarding the presence or condition of asbestos in the insulation, ceiling, floor coverings, or other area of the property.

(2) Square Footage/Acreage Disclaimer

Neither Seller nor licensees represent the square footage of any structure or the acreage of any land being purchased. If square footage or acreage is a material consideration, licensees advise that Buyer should measure the structures and land before signing this Contract.

(3) Fire Protection District/Approved Uses/Limits on Lawsuits Against Farming or Forest Practices (This notice is required by law)

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. CONSTRUCTION OR SITING OF A RESIDENCE AND WHICH LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES.

F. Additional Terms

(1) Copies

Delivery of photo, telefax, carbon or NCR copies of an original signed document shall be treated the same as delivery of the original.

(2) Additional Terms

All of the additional terms contained on pages 3, 4 and 5 of this Contract are incorporated into this Contract. By initialing here, each Buyer signifies that s/he has read, understands and agrees to those terms, including the agreement to arbitrate disputes and the waiver of Buyer's right (if any) to a jury trial of any claim, and also acknowledges that any right to appeal any award of an arbitrator is restricted.

Date 12-5-97 Buyer's Initial B206 Date 12/15/97 Buyer's Initial JB

(3) Property disclaimer/disclosure

Each Buyer acknowledges that, unless otherwise exempted, Buyer has the right to revoke Buyer's offer within five (5) business days following delivery of Seller's property disclosure form, or within seven (7) business days following delivery of Seller's written disclaimer form, or at any time before closing if Buyer does not receive either a disclosure or disclaimer form from Seller. Buyer may waive, in writing, Buyer's right of revocation. If the property is subject to an exemption, Buyer and Seller may execute an acknowledgment which identifies the specific exemption allowed by law.

(4) Lead-based paint

If the real property was built before 1978, it may contain lead-based paint which can constitute a health hazard. This contract is contingent upon Buyer, at Buyer's expense, obtaining a risk assessment or inspection of the real property for the presence of lead-based paint and/or lead-based paint hazards (intact lead-based paint that is in good condition is not necessarily a hazard. See EPA pamphlet "Protect Your Family From Lead in your Home" for more information). Buyer has until 9:00 P.M. on the tenth calendar day after Seller's acceptance of this contract or until _____, 19____ to obtain the risk assessment or inspection of the real property. This contingency will terminate at the above predetermined deadline unless the Buyer (or Buyer's agent) delivers to the Seller (or Seller's agent) a written contract addendum listing the specific existing deficiencies and corrections needed, together with a copy of the inspection and/or risk assessment report. The Seller may, at the Seller's option within _____ days after Delivery of the addendum, elect in writing whether to correct the condition(s) prior to settlement. If the Seller will correct the condition, the Seller shall furnish the Buyer with certification from a risk assessor or inspector demonstrating that the condition has been remedied before the date of the settlement. If the Seller does not elect to make the repairs, or if the Seller makes a counter-offer, the Buyer shall have _____ days to respond to the counter-offer or remove this contingency and take the property in "as-is" condition or this contract becomes void. The Buyer may remove this contingency at any time without cause.

I HAVE REVIEWED ALL TERMS ON THIS PAGE AND HAVE RECEIVED A TRUE, LEGIBLE COPY OF THIS PAGE AND THE ENTIRE CONTRACT.

154. G. Buyer's Offer

40885

155. Buyer offers to purchase the property described on Page 1 of this Contract at the price and on the terms, contingencies and representations
156. above. Buyer gives the licensee until 12:00 midnight on 12/15, 1997 to obtain Seller's acceptance of this offer. Each Buyer
157. acknowledges that at the time of signing this offer to purchase, each Buyer has a legal duty to acknowledge the existing agency relationship, if any.

158. BUYER ACKNOWLEDGES THAT BUYER HAS READ AND FULLY UNDERSTANDS THIS CONTRACT (including Part 6) AND HAS
159. RECEIVED A TRUE, LEGIBLE COPY OF THIS CONTRACT.

160. BUYER(A): Sharon D. Bengard Date 12/15, 1997 Time 3:20 PM
161. BUYER(B): Terri M. Bengard Date 12/15, 1997 Time 3:25 PM
162. Address: P.O. Box 80090, Salinas, Ca 93912-0090
163. Home Phone # 408-424-2654 Work Phone #(A) 408-422-9021 Work Phone #(B)

PART 2 - RECEIPT FOR EARNEST MONEY

164. RECEIPT FOR EARNEST MONEY: By licensee's signature below, the undersigned licensee acknowledges receipt of the Earnest Money described on
165. Page 1 of this Contract in the sum of \$ _____.

167. SELLING BROKER: HESSLELINE REALTY LISTING BROKER: ERA NICHOLSON ASSOC.
168. Address: 272 W. LOCKFORD ST. STE. 3 LOS ANGELES, CA 90057 Address: 1889 AUSTIN-KLAMATH FALLS, OR
169. Phone: 202-374-3048 Licensee Robert H. Hessleline Phone: 541-882-8200 Licensee DOTTIE AZEVEDO

PART 3 - SELLER'S ACCEPTANCE, REJECTION OR COUNTER OFFER

171. THE SELLERS ACKNOWLEDGE THEY HAVE RECEIVED THE AGENCY DISCLOSURE FORMS REQUIRED BY LAW

172. A. Closing Instructions and Fee Agreement

173. (1) Title Insurance

174. Seller authorizes licensee to order a preliminary title report and title insurance at Seller's expense from KLAMATH COUNTY TITLE

175. (2) Fee Agreement

176. (a) Seller agrees to pay Listing Broker a commission for services rendered in this sale as follows: ☒ At settlement, the sum of
177. \$ 114,600.00 in collected funds (U.S. Dollars); ☐ See separate closing instructions and fee agreement.

178. (b) If this is a co-op sale, the commission will be divided as follows: 50 % to Listing Broker 50 % to Selling Broker.

179. (c) If Buyer fails to complete the sale under the terms of this Contract, all earnest money will be distributed as follows:

180. (1) to the escrow agent for cost of title insurance and any escrow cancellation charges; and (2) the balance as follows:

181. 50 % to Seller, 50 % to Listing Broker. Seller's initials _____ Seller's initials _____.

182. (3) Deposit of Earnest Money

183. Seller authorizes and directs the licensee to handle the earnest money as follows: ☐ place in Selling Broker's client trust account; ☒ upon
184. acceptance of offer and collection of funds, transfer to the Listing Broker's client trust account; ☐ deposit with escrow agent.

185. B. Additional Terms

186. All of the additional terms contained on pages 3, 4 and 5 of this Contract are incorporated into this Contract. By initialing here, each Seller signifies
187. that s/he has read, understands and agrees to those terms, including the agreement to arbitrate disputes and the waiver of Seller's right (if any) to a
188. jury trial of any claim, and also acknowledge that any right to appeal any award of an arbitrator is restricted. This offer was presented to Seller on:

189. Date 12/15/97 Seller's Initial R.F.B. Date _____ Seller's Initial _____

190. C. Acceptance of Offer

191. Seller accepts Buyer's offer for the price and on the terms and contingencies set forth in Buyer's offer. Each Seller acknowledges that at the time
192. of signing this offer to purchase, each Seller has a legal duty to acknowledge the existing agency relationship, if any (by use of a separate form).

193. SELLER ACKNOWLEDGES THAT SELLER HAS READ AND FULLY UNDERSTANDS THIS CONTRACT (including Part 6) AND HAS RECEIVED
194. A TRUE, LEGIBLE COPY OF THIS CONTRACT, BEARING BUYER'S SIGNATURE AND THAT OF SELLER SHOWING SELLER'S ACCEPTANCE.
195. By her/his signature, Seller authorizes and directs licensee and escrow agents to perform the acts set out in lines 173 through 184 and lines 288 and 289
196. of this Contract.

197. SELLER(A): R.F. Brown Date 12/15/97, 19____ Time 9:10 P M
198. SELLER(B): _____ Date _____, 19____ Time _____ M
199. Address: 5030 BLVD. SONOMA RD - NAPA, CA 94558
200. Home Phone # 929-391-2264 Work Phone #(A) _____ Work Phone #(B) _____

201. D. Counter Offer

202. Seller rejects Buyer's offer and makes the attached Seller's Counter Offer:

203. SELLER ACKNOWLEDGES THAT SELLER HAS READ AND FULLY UNDERSTANDS THIS CONTRACT AND HAS RECEIVED A TRUE,
204. LEGIBLE COPY OF THIS CONTRACT, BEARING BUYER'S SIGNATURE AND THAT OF SELLER SHOWING SELLER'S RESPONSE.

205. SELLER: _____ DATE: _____, 19____ TIME: _____ M.
206. SELLER: _____ DATE: _____, 19____ TIME: _____ M.

207. E. Rejection

208. Seller rejects Buyer's offer. Buyer's earnest money and any additional earnest money will be refunded subject to all applicable "collected funds,"
209. statutes, rules and/or regulations.

210. SELLER ACKNOWLEDGES THAT SELLER HAS READ AND FULLY UNDERSTANDS THIS CONTRACT AND HAS RECEIVED A TRUE,
211. LEGIBLE COPY OF THIS CONTRACT, BEARING BUYER'S SIGNATURE AND THAT OF SELLER SHOWING SELLER'S RESPONSE.

212. SELLER: _____ DATE: _____, 19____ TIME: _____ M.
213. SELLER: _____ DATE: _____, 19____ TIME: _____ M.

PART 4 - BUYER'S ACKNOWLEDGEMENT

215. BUYER ACKNOWLEDGES THAT BUYER HAS RECEIVED A TRUE, LEGIBLE COPY OF THE CONTRACT (CONTAINING PARTS 1,
216. 2, 3, 4, 5 AND 6) BEARING BUYER'S SIGNATURE AND THAT OF SELLER SHOWING SELLER'S RESPONSE.

217. By her/his signature, Buyer authorizes and directs licensee and escrow agents to perform the acts set forth in lines 173 through 184 and lines 288
218. and 289 of this Contract, including but not limited to, deposit of earnest money.

219. BUYER: Sharon D. Bengard DATE: 12/15/97, 19____ TIME: 4:30 AM.
220. BUYER: Terri M. Bengard DATE: 12/15/97, 19____ TIME: 4:35 PM.

PART 5 - BROKER'S REVIEW

221. Selling Broker's Initials _____ DATE _____ TIME _____ M. Listing Broker's Initials GBW DATE 12/15/97 TIME 5:00 M.

223. I HAVE REVIEWED ALL TERMS ON THIS PAGE AND HAVE RECEIVED A TRUE, LEGIBLE COPY OF THIS PAGE AND THE ENTIRE CONTRACT.

"EXHIBIT A"

PARCEL 2:

40886

Township 34 South, Range 7 ½ East of the Willamette Meridian, Klamath County, Oregon,

A piece or parcel of land situated in Sections 5, 8, 16, 17, 20 and 21, and being more particularly described as follows:

Beginning at the intersection of the center line of Seven Mile Canal as the same is now located and constructed, with the line marking the Westerly boundary of the said Section 5, Township 34 South, Range 7 ½ East of the Willamette Meridian, and from which point the Southeasterly corner of Section 1, Township 34 South, Range 6 East of the Willamette Meridian, as established by Norman D. Price, U.S. Cadastral Engineer, between October 31, 1930 and June 22, 1931, bears South 83°59' West, 5310.1 feet distant, and running; thence downstream along the said center line of Seven Mile Canal South 61°35 ½ ' East 861.2 feet; thence South 31°46 ½ ' East 2306.4 feet; thence South 34°25 ½ ' East 1252.4 feet; thence South 32°27 ½ ' East 2101.8 feet; thence South 41°02 ½ ' East 8802.1 feet, more or less, to the intersection of the said center line of Seven Mile Canal, with a line which is parallel with and 70.0 feet at right angles Southeasterly from the center line of the Dixon and McQuiston Levee, as the same is now located and constructed; thence leaving the center line of Seven Mile Canal and following

the said line parallel with the said Dixon and McQuiston Levee South 44°40' West 6437.9 feet, more or less, to its intersection with the Southerly boundary of the said Section 20, Township 34 South, Range 7 ½ East of the Willamette Meridian; thence Westerly along the Southerly boundary of said Section 20, 4905.3 feet, more or less, to the Southwesterly corner of the said Section 20, Township 34 South, Range 7 ½ East of the Willamette Meridian; thence North along the Westerly boundary of the said Sections 20, 17, 8 and 5, Township 34 South, Range 7 ½ East of the Willamette Meridian, 16,570.6 feet, more or less, to the said point of beginning.

EXCEPTING THEREFROM that portion conveyed to D'Artney Bros., a Co-partnership, by deed recorded in Volume 331 at page 367, Deed records of Klamath County, Oregon.

ALSO EXCEPTING THEREFROM that portion conveyed to Byron W. Bacchi, et ux., and Henry Francis Bacchi, et ux., by Deed recorded in Volume 350 at page 675, Deed records of Klamath County, Oregon.

KLAMATH COUNTY TITLE CO.

P. O. BOX 151 422 MAIN ST.
KLAMATH FALLS, OREGON 97601

Legal Description

40887

Reference: Contract # 415539

Addendum # 1

ADDENDUM TO CONTRACT & RECEIPT FOR EARNEST MONEY

1. Parties

This is an Addendum to a ☒ Contract & Receipt for Earnest Money ☐ Seller's Counter Offer between
 Buyer BENGARD
 and Seller BROWN

2. The Property

Seller owns the property described in the Contract:

- (a) The real property is legally described as: SEE ATTACHED ("EXHIBIT A")
TO INCLUDE 1,910 ACRES ML
- (b) The real property is located in or near the City of FORT KLAMATH
 County of KLAMATH, State of OREGON
- (c) The real property is commonly known as (street address): MCQUISTON RD.
(SEVEN MILE RANCH)

This Addendum will become a part of and will be incorporated by this reference into the Contract & Receipt for Earnest Money or Seller's Counter Offer referred to above when signed by Buyer and Seller.

- a. IFA 1031 TAX EXCHANGE IS EXECUTED, THE
 b. CONTRACT & RECEIPT FOR EARNEST MONEY, SIGNED
 c. BY BOTH BUYER + SELLER, MAY BE SUPERCEDED BY AN
 d. EXCHANGE AGREEMENT, AND OR A 1031 TAX DEFERRED.
 e. EXCHANGE WOULD BE ELECTED BY BUYER AT NO ADDITIONAL
 f. COST TO SELLER.
- g. SELLER AGREES TO EXTEND TO BUYERS
 h. A FIRST RIGHT OF REFUSAL TO PURCHASE
 i. PROPERTY IDENTIFIED AS THE UPPER
 j. TIMBER FIELD (800 ACRES ML) AT
 k. THE MARKET VALUE OF PROPERTY AT
 l. THE TIME OF PURCHASE. ERA NICHOLSON
 m. + ASSOC. AND HESSELTINE REALTY WILL BE REPRESENTING
 n. SELLER AND BUYER EXCLUSIVELY REGARDING THE ABOVE
 o. TRANSACTION. SEE LOCAL DESCRIPTION ATTACHED.
 p. (SEE EXHIBIT B) 12/15/97
- q. BUYER AND SELLER AGREE THAT THE EQUIPMENT
 r. NECESSARY TO OPERATE THE RANCH WILL BE AVAILABLE TO
 s. BUYER TO USE FOR MAINTENANCE AND IMPROVEMENT OF
 t. SUBJECT PROPERTY.
- u. THE SELLER IS TO PROVIDE UNLIMITED ACCESS TO
 v. HIS GRAVEL PIT FOR THE EXTRACTION OF PIT RUN ROCK
 w. AT NO COST TO THE BUYER OF SUBJECT PROPERTY. THE
 x. ROCK WILL BE USED SOLELY FOR THE REPAIR, MAINTENANCE
 y. AND IMPROVEMENT OF THE SUBJECT PROPERTY. THIS
 z. AGREEMENT IS TO BE RECORDED AT CLOSE OF ESCROW.
- aa. A-5 OF THE ORIGINAL CONTRACT DATED 12/15/97 WILL BE
 bb. DELETED AND NOW WILL READ AS FOLLOWS: THIS CONTRACT IS
 cc. ASSIGNABLE BY BUYER FOR PURPOSES OF A CONSUMMATED SECTION
 dd. 1031 TAX DEFERRED EXCHANGE. 206 CB 12/15/97 R.F.B. 12/15/97

Date 12/15/97
 Buyer Judy Marie Bengard
 Date 12/15/97
 Buyer Thomas D Bengard
 Selling Office HESSELTINE REALTY
 Selling Licensee Robert J. Nicholson
 Date 12/15/97 Broker's Initials RJN

Date R.F. Brown 12/15/97
 Seller R.F. Brown
 Date _____
 Seller _____
 Listing Office ERA NICHOLSON
 Listing Licensee DOTTE HZVEDO
 Date 12/15/97 Broker's Initials me

ADDENDUM TO CONTRACT & RECEIPT FOR EARNEST MONEY

1. Parties

This is an Addendum to a ☒ Contract & Receipt for Earnest Money ☐ Seller's Counter Offer between
Buyer BENGARD
and Seller BROWN

2. The Property

Seller owns the property described in the Contract:

(a) The real property is legally described as: ATTACHED

(b) The real property is located in or near the City of FORT KLAMATH
County of KLAMATH, State of OREGON

(c) The real property is commonly known as (street address):
MC QUISTON RD.

This Addendum will become a part of and will be incorporated by this reference into the Contract & Receipt for Earnest Money or Seller's Counter Offer referred to above when signed by Buyer and Seller.

a. OPTION DATE TO BE EXTENDED TO
b. 12/15/97

c. OPTION DEPOSIT OF \$10,000 IS CREDITED TO
e. PURCHASE AT CLOSE OF ESCROW.
f. PRICE

12/15/97
2005

Date 12/14/97

Buyer Don D. Bengard

Date 12/14/97

Buyer Don D. Bengard

Selling Office Robert A. Nesbitt Realty

Selling Licensee Robert A. Nesbitt

Date 12/15/97 Broker's Initials RLH

Date 12/14/97

Seller RFB

Date

Seller

Listing Office ERA NICHOLSON

Listing Licensee Dottie Hzevedo

Date 12/15/97 Broker's Initials DN

LEASE AGREEMENT

The following parties are entering into a lease for the property described per "Exhibit A" attached. Robert F. Brown, herein known as lessor, will lease to Tom P. Bengard and Terry M. Bengard, herein known as lessees, for a term of one year the above described property starting November 1, 1997 through November 1, 1998.

Lessees will pay lessor a cash rent of \$108,000.00 for subject property. All rent will be paid up front at beginning of lease.

Lessor and lessees agree that lessees will be responsible for any damage that is caused by his actions during the lease period and that lessees will keep fencing in repair.

Lessor and lessees agree that lessee will have an option to purchase this property at any time during the term of the lease.

Lessees and lessor agree to the above terms as witnessed by their signatures below.

R. F. Brown

LESSOR

11/11/97

DATE

Tom P. Bengard

LESSEE

11/11/97

DATE

Terry M. Bengard

LESSEE

11/11/97

DATE

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title the 16th day
of December A.D., 19 97 at 3:18 o'clock P.M., and duly recorded in Vol. M97
of Deeds on Page 40882.

FEE \$45.00

By Bernetha G. Letsch, County Clerk
Kathleen Ross