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OPTION AGREEMENT

Vol M04 Page 19940

This Option Agreement should only be used in conjunction with an Oregon Real Estate Forms, LLC Real Estate Sale Agreement. If not fully understood, seek competent legal advice before signing.

This Option Agreement is entered into on 3/8, 2004 between Martin & Carol Jocks ("Seller") and Michael Slay ("Buyer").

1. **RENTAL/LEASE AGREEMENT:** (complete only if applicable. The parties are encouraged to use a form of rental or lease agreement that is currently used for similar properties in the area.) A Rental/Lease Agreement, dated 3/8/04 is attached hereto as Exhibit A and made a part hereof.
2. **GRANT OF OPTION:** Subject to the terms and conditions contained below, Seller hereby grants to Buyer the option ("Option") to acquire the following property: 2929 Carter Klamath Falls OR 97601 (the "Property").
3. **OPTION DEADLINE:** Unless exercised in accordance with the terms of this Option Agreement, the Option shall fully and completely expire at (check one): ☒ 5:00 p.m. on 4/1/06, or ☐ _____ ("the Option Deadline").
4. **CONSIDERATION FOR OPTION:** Buyer has paid Seller the sum of \$ 1500.00 (the "Option Payment"). Except as otherwise provided herein, the Option Payment shall be nonrefundable to Buyer. If Buyer exercises the Option and acquires the Property in accordance with the Sale Agreement identified below, the Option Payment (check one): ☐ shall ☒ shall not be applied to the Purchase Price at Closing.
5. **EXERCISE OF OPTION: Time is of the essence.** So long as Buyer is not then in default under the Rental/Lease Agreement, if applicable, or this Option Agreement, Buyer may exercise the Option once prior to the Option Deadline, by written notification to Seller, simultaneously sent by certified mail, return receipt requested and regular first class mail, addressed to Seller at To be determined, or by actual delivery to Seller. For informational purposes only, Buyer shall simultaneously provide a copy of the notice to Buyer's Real Estate Firm, if any. A "default under the Rental/Lease Agreement" shall be defined to mean any matter for which Seller would have the right to institute eviction proceedings against Buyer under the Oregon Residential Landlord Tenant Act ("ORLTA"), ORS 105.105 et. seq. Unless and until the Option is exercised in accordance with this Option Agreement, Buyer's rights to the Property shall be exclusively limited to those arising under the ORLTA.
6. **PURCHASE PRICE, TERMS, AND CLOSING:** The parties have entered into an Oregon Real Estate Forms, LLC Real Estate Sale Agreement ("the Sale Agreement"), dated 3/8/04 which is attached hereto as Exhibit B and made a part hereof. In the event the Option is exercised, the purchase price and terms shall be in accordance with the Sale Agreement. Provided, however, notwithstanding the preceding sentence, the closing of the transaction shall be no sooner than _____ business days (ten (10) if not filled in) nor later than _____ business days (thirty (30) if not filled in) after the date of Buyer's notification of exercise of the Option.
7. **FAILURE TO EXERCISE OPTION: Time is of the essence.** If Buyer fails for any reason (other than Seller's default under this Option Agreement) to timely and properly exercise the Option prior to the Option Deadline, the Option Payment shall be retained by Seller, and Buyer shall have no further rights under the Option Agreement or Sale Agreement. If the Option is properly exercised, but the transaction fails to close, Seller's and Buyer's rights to any earnest money deposit shall be determined by the terms of the Sale Agreement.
8. **BREACH OF RENTAL/LEASE AGREEMENT:** If the property is rented or leased to Buyer under a Rental/Lease Agreement, and, prior to the Option Deadline, Buyer terminates the tenancy in violation of the Rental/Lease Agreement, abandons the Property, or a judgement of eviction is entered against Buyer, this Option Agreement and the Sale Agreement shall automatically terminate with no further action of Seller. In such case, the Option Payment shall be retained by Seller and this Option Agreement and the Sale Agreement shall be of no further binding effect except to the extent that Seller's and Buyer's rights to any earnest money deposit shall be determined by the terms of the Sale Agreement.
9. **NO TRANSFER:** Buyer shall not sublease, assign, transfer or convey any right, title or interest in this Option Agreement, the Sale Agreement, or the Property to any third party prior to or at the time of Closing. In the event of an unauthorized transfer, Seller shall retain the Option Money and the Sale Agreement shall be of no further binding effect except to the extent that Seller's and Buyer's rights to any earnest money deposit shall be determined by the terms of the Sale Agreement.
10. **AMENDMENT:** This Option Agreement may not be modified or amended except by written agreement, signed by Seller and Buyer.
11. **WAIVER OF RIGHT OF REVOCATION UNDER PROPERTY DISCLOSURE/DISCLAIMER LAWS:** Buyer expressly waives their right to revoke this Option Agreement and the Sale Agreement (if the Option is exercised). This means that Seller is not required to provide Buyer with Property Disclaimer or Disclosure.
12. **DISPUTE RESOLUTION:** Subject only to the following sentence, in the event of any dispute regarding any matters arising directly or indirectly out of this Option Agreement, the entire dispute resolution provisions contained in the Sale Agreement, including but not limited to the mandatory mediation and arbitration provisions thereof, shall apply. Notwithstanding the preceding provision, in the event Buyer is in default under a Rental/Lease Agreement, Seller shall have the immediate right to initiate court action for eviction pursuant to ORS 105.105, et. seq. This Paragraph 12 shall survive termination, cancellation or expiration of this Option Agreement.

Buyer Michael Slay Date 3/8/04 Seller Martin & Carol Jocks Date 03/08/04
Buyer _____ Date _____ Seller Carol Jocks Date 3/8/04
Selling Licensee Michael Slay Date 3/8/04 Listing Licensee Michael Slay Date 3/8/04
Selling Firm Fisher-Nichols Realtors LLC Listing Firm FNR LLC

LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE AND DATE

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Addendum A-1
Sale Agreement # _____
Broker's Initials & Date RFB 3/8/04

19941

Exhibit "A"

Lot 14 in Block 13-Stewart Addition, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

X [Signature]
STATE OF OREGON,
County of Klamath } ss.

FORM No. 23—ACKNOWLEDGMENT.
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BE IT REMEMBERED, That on this 6th day of April, 2004,
before me, the undersigned, a Notary Public in and for the State of Oregon, personally appeared the within
named Michael Shay

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.



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

[Signature]
Notary Public for Oregon
My commission expires 5-2-07

State of Oregon, County of Klamath
Recorded 04/07/2004 3:27 p m
Vol M04 Pg 19940-41
Linda Smith, County Clerk
Fee \$ 26.00 # of Pgs 2