

AFTER RECORDING RETURN TO:

Michael Ratliff
Ratliff & Ratliff, P.C.
905 Main Street, Ste 200
Klamath Falls OR 97601

State of Oregon, County of Klamath
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Linda Smith, County Clerk
Fee \$ 3.00 # of Pgs 3

OPTION TO PURCHASE REAL PROPERTY

In consideration of TWO THOUSAND FIVE HUNDRED Dollars (\$2,500.00) paid to CHARLES V. SHUCK, of P.O. Box 204, Merrill, Oregon 97633 hereinafter called seller, receipt of which is hereby acknowledged, seller hereby gives and grants to MATTHEW MICHAEL SHUCK and MARY CHRISTINE CHUCK, husband and wife, of 21348 Pinehill Lane, Diamond Bar, California 91765 hereinafter called purchaser, his heirs and assigns, the exclusive option to purchase the real property of seller situated in Merrill, County of Klamath, State of Oregon, and particularly described as:

A tract of land situated in the E½ of Section 32, T40S, R11EWM, Klamath County, Oregon, being more particularly described as follows:

Beginning at the CE1/16 corner of said Section 32; thence S00°09'01"W 17.81 feet, being the True Point of Beginning; thence S89°40'43"W 476.76 feet; thence N37°55'22"E 60.09 feet; thence N07°59'08"E 336.66 feet; thence N26°51'52"E 202.84 feet; thence N57°15'37"E 66.00 feet; thence East 207.44 feet to the Westerly right-of-way of Dodds Hollow Road; thence Southerly along said Westerly right-of-way to a point that bears N89°40'43"E 6.50 feet; thence S89°40'43"W 6.50 feet to the True Point of Beginning, containing 5.3 acres, more or less, with bearings based on R.O.S. 3251 on file at the Klamath County Surveyor Office.

Together with the buildings and all other improvements thereon, all easements, rights of way, and appurtenances thereto, and all of seller's right, title, and interest in all public ways adjoining the property. The real property herein described is hereinafter collectively referred to as the property.

This option is given on the following terms and conditions:

**SECTION ONE
PRICE OF OPTION AND EXTENSION**

The purchase price for the property shall be ONE HUNDRED FIFTY EIGHT THOUSAND, SIX HUNDRED NINETY Dollars (158,690.00), which shall be paid, on exercise of this option by purchaser and purchaser shall be given credit for the \$2,500.00 paid for this option.

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SECTION TWO
PERIOD OF OPTION AND EXTENSION

This option may be exercised by giving notice thereof to seller at P.O. Box 204, City of Merrill, County of Klamath, State of Oregon, at any time during the primary period from the date of this instrument until January 15, 2010.

SECTION THREE
TITLE

If the option is exercised, seller shall within 30 days after the delivery to him of the notice of exercise, secure and submit to purchaser for examination by his attorneys evidence of merchantable title in the property by a preliminary title report issued by Aspen Title Company of Klamath Falls, Oregon. Within 10 days thereafter purchaser shall give notice in writing to seller of any defects in or objections to the title as so evidenced, and seller shall clear the title of the defects and objections so specified.

If seller fails to clear title to the extent herein required or to submit evidence of his ability to do so prior to closing, and such failure continues for 10 days after the date of exercise of the option, purchaser may clear title to the extent so required and charge the cost of clearing to seller or, at his option, may terminate the contract by giving 10 days' notice to seller.

Title to be conveyed as herein provided shall be merchantable title, free and clear of all liens, encumbrances, restrictions, and easements.

SECTION FOUR
ESCROW; CLOSING

An escrow shall be opened with Aspen Title Company of Klamath Falls, Oregon within 30 days after exercise of this option. All necessary documents shall be delivered to the escrow agent and all payments required hereunder, including payment of the balance of the purchase price, shall be made to escrow agent. Seller and purchaser shall execute such escrow instructions, not inconsistent with the terms of this option, as may be requested by the escrow agent from time to time.

Taxes and assessments for the current year, water rents due but not delinquent, rentals under existing leases and tenancies shall be prorated between the parties as of the date of closing of escrow.

The sale transaction shall close when the escrow agent is able to comply with the provisions hereof. If closing is not accomplished within 60 days from the date of exercise of this option or such extended period thereafter, not to exceed 60 days, as provided for by escrow instructions, at the election of either party the escrow shall be

terminated, and all deposits made on the account of the purchase price and instruments deposited in escrow shall be returned to the respective parties entitled thereto.

SECTION FIVE POSSESSION AND RISK OF LOSS

Seller shall continue in possession of the property until close of escrow, and shall maintain the same in its present condition, reasonable wear from ordinary use excepted. Possession shall be transferred to purchaser within 30 days after closing].

Risk of loss from fire or other casualty to the property shall be seller's until transfer of possession as herein provided. Seller shall maintain adequate insurance against loss, including extended coverage, during such period. All policies of insurance on the property shall be transferred to purchaser at close of escrow, at his option.

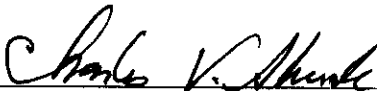
SECTION SIX NOTICES

Any notice hereunder shall be given in writing to the party for whom it is intended in person or by registered mail at the following address, of P.O. Box 204, Merrill, Oregon 97633, or such future address as may be designated in writing: to the seller, at the address set forth above; to the purchaser at 21348 Pinehill Lane, City of Diamond Bar, County of Los Angeles, State of California; to any successor or assignee of either party, at the address stated in the notice of succession or assignment.

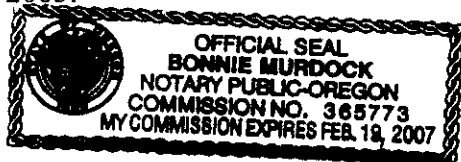
SECTION SEVEN ASSIGNMENT AND SUCCESSION

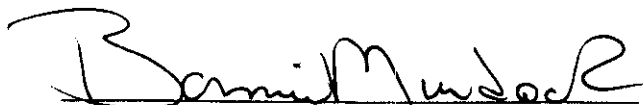
This option and the contract resulting from the exercise thereof shall bind and inure to the benefit of the heirs, administrators, executors, successors, and assigns of the respective parties. All rights of purchaser hereunder may be assigned without restriction, but notice of each assignment shall be given in writing to seller.

Executed on March 28, 2005.


Charles V. Shuck

SUBSCRIBED AND SWORN TO BEFORE ME this 28 day of March, 2005.




NOTARY PUBLIC FOR OREGON
My Commission Expires: 2-18-2007