

MTL 83692-KR

2009-002498

Klamath County, Oregon



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02/18/2009 03:36:43 PM

Fee: \$56.00

RECORDING COVER SHEET

THIS COVER SHEET HAS BEEN PREPARED BY THE PERSON REPRESENTING THE ATTACHED INSTRUMENT FOR RECORDING. ANY ERRORS IN THIS COVER SHEET DO NOT AFFECT THE TRANSACTION(S) CONTAINED IN THE INSTRUMENT ITSELF.

After Recording, Return To:
AmeriTitle Escrow #MT83692-KR
300 Klamath Avenue
Klamath Falls, OR 97601

1. Name(s) of the Transaction(s):

OPTION AGREEMENT FOR THE SALE AND PURCHASE OF REAL ESTATE FARM LAND

2. Direct Party (Seller):

W.C. Ranch, Inc.

3. Indirect Party (Buyer):

Jeffrey and Sandra Hunter

4. True and Actual Consideration Paid:

\$60,000.00

5. Legal Description:

See Exhibit "A" for legal description that is made a part hereof by his reference.

56amt

OPTION AGREEMENT FOR THE SALE AND PURCHASE OF REAL ESTATE
FARM LAND

This Option Agreement is made on this the 15th day of February, 2009, or at such time thereafter as the subject property is identified by the government of Klamath County, Oregon, as a "Legal Parcel", by and between W C Ranch, Inc., hereinafter referred to as the "SELLER", and Jeffrey and Sandra Hunter, hereinafter referred to as the "PURCHASER", whether one or more.

FOR AND IN CONSIDERATION of good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, it is agreed as follows:

1. GRANT OF OPTION: The Seller does hereby grant unto the Purchaser the exclusive and irrevocable option to purchase, upon the terms and conditions hereinafter set forth, Seller's property situated in Klamath County, Oregon, together with all improvements located thereon, described as follows:

SEE ATTACHED EXHIBIT "A" FOR DESCRIPTION

2. EXERCISE OF OPTION: This option to purchase may be exercised by the Purchaser on Feb 15, 2012, Feb. 15, 2013 or Feb.15, 2014 by notice in writing to the Seller addressed to the following address: 17356 Hill Road, Klamath Falls, OR 97603.
3. DEFAULT BY PURCHASER: In the event of the failure of the Purchaser to exercise this option, or in the event of any default by the Purchaser after the exercise of this option, all money paid by the Purchaser to the Seller upon the execution of this Agreement, or upon any extension, shall be retained by the Seller as consideration for the granting of this Option to the Purchaser, and all rights of the Purchaser under this Agreement shall terminate.
4. TITLE: Within fifteen (15) days after the Purchaser has exercised this Option as hereinabove provided, the Seller shall deliver to the Purchaser, or to Purchaser's attorney, a Certificate of Title, title report or title abstract by a reputable attorney, title company or abstract company, upon which title report insurance can be obtained, covering the property described in paragraph I above which shall reflect that marketable fee simple title to the subject property is vested in Seller and that same is insurable by a title company of Purchaser's choice. Said Certificate shall be subject only to taxes for the current year, easements, and rights of way of record, and prior mineral reservations. Should said Certificate reflect any other exceptions to the title unacceptable to Purchaser, Purchaser shall notify the Seller in writing of any defects within fifteen (15) days (the title review period) and the Seller shall have a reasonable time (but not more than 25 days) in which to make the title good and marketable or insurable, and shall use due diligence in an effort to do so. If after using due diligence the Seller is unable to make the title acceptable to Purchaser within such reasonable time, it shall be the option of the Purchaser either to accept the title in its existing condition with no further obligation on the part of the Seller to correct any defect, or to cancel this Agreement. If this Agreement is thus canceled, all money paid by the Purchaser to the Seller upon the execution of this Agreement or upon any extension shall be returned to the Purchaser, and this Agreement shall terminate without further obligation of either party to the other. If title is acceptable to Purchaser, the closing shall occur within fifteen (15) days after expiration of the "title review period". At closing Seller shall convey title to Purchaser by Warranty Deed subject only to exceptions acceptable to Purchaser.
5. PURCHASE PRICE: The purchase price for the property shall be Eight Hundred and Sixteen Thousand Dollars (\$816,000.00). The purchase price after the application of the option money shall be paid by Purchaser to Seller in cash. Closing shall take place within fifteen (15) days of Seller's delivery to Purchaser of an acceptable Title Certificate as provided for in Paragraph IV.
6. OPTION MONEY: Upon execution of this Option, Purchaser has paid unto Seller the sum of \$60,000.00 as "Option Money" which is the sum of \$10,000.00 Earnest Money received by seller on December 15, 2008 and \$50,000.00 paid on the signing of this Option. In the event that Purchaser exercises the option to purchase this property on the specified dates and is not in default in any other terms of this Agreement, said Option Money shall apply toward the purchase price at closing.

8. **EXPENSES OF SALE:** In the event that Purchaser exercises this option to purchase the subject property, the following closing costs shall be paid as provided.

Closing Costs	Purchaser	Seller	Both*
Escrow Closing Fees			X
Title Insurance		X	
Recording Fees	X		

* 50/50 between Purchaser and seller.

- 9. **POSSESSION:** Purchaser shall be entitled to possession of the property at closing.
- 10. **RIGHT OF ENTRY:** During the term of this Option or any extension hereof, Purchaser shall be entitled to enter upon the property.
- 11. **TAXES:** Taxes shall be prorated as of the date of closing.
- 12. **DEFAULT:** This contract shall be binding upon and inure to the benefit of the heirs, administrators and assigns of the parties hereto and upon default in any of the terms of this Agreement the defaulting party agrees to pay all costs of Court and a reasonable attorney's fee.
- 13. **ATTORNEY'S FEES:** The prevailing party in any legal proceeding brought under or with respect to the transaction described in this contract is entitled to recover from the non-prevailing party all costs of such proceeding and reasonable attorney's fees.
- 14. **REPRESENTATIONS:** Seller represents that as of the Closing Date (a) there will be no liens, assessments, or security interests against the Property which will not be satisfied out of the sales proceeds unless securing payment of any loans assumed by Purchaser and (b) assumed loans will not be in default. If any representation in this contract is untrue on the Closing Date, this contract may be terminated by Purchaser and the earnest money will be refunded to Purchaser. All representations contained in this contract will survive closing.
- 15. **AGREEMENT OF PARTIES:** This contract contains the entire agreement of the parties and cannot be changed except by their written agreement.
- 16. **NOTICES:** All notices from one party to the other must be in writing and are effective when mailed to, hand-delivered at, or transmitted by facsimile machine as follows:

To Purchaser at: _____ To Seller at: _____
Jeffrey and Sandra Hunter WC Ranch, Inc.

Handwritten initials

7552 E. Wethersfield Road

17356 Hill Road

Scottsdale, AZ 85260

Klamath Falls, OR 97603

Telephone 480-778-9690

Telephone 541-798-5807

Facsimile 480-991-3986

Facsimile 541-798-1064

17. ASSIGNMENT: This agreement may not be assigned by Purchaser without the consent of Seller. This agreement may be assigned by Seller and shall be binding on the heirs and assigns of the parties hereto.

18. PRIOR AGREEMENTS: This contract incorporates all prior agreements between the parties, contains the entire and final agreement of the parties, and cannot be changed except by their written consent. Neither party has relied upon any statement or representation made by the other party or any sales representative bringing the parties together. Neither party shall be bound by any terms, conditions, oral statements, warranties, or representations not herein contained. Each party acknowledges that he has read and understands this contract. The provisions of this contract shall apply to and bind the heirs, executors, administrators, successors and assigns of the respective parties hereto. When herein used, the singular includes the plural and the masculine includes the feminine as the context may require.

19. The Seller represents that it has employed the services of a real estate broker or agent in connection with the property, and that Seller shall pay such agent any and all expenses outside the closing of this agreement.

20. EMINENT DOMAIN: If the property is condemned by eminent domain after the effective date hereof, the Seller and Purchaser shall agree to continue the closing, or a portion thereof, or cancel this Contract. If the parties cannot agree, this contract shall remain valid with Purchaser being entitled to any condemnation proceeds at or after closing.

21. RECORDING: This agreement may be recorded in the official records of Klamath County, Oregon.

22. OTHER PROVISIONS

It is agreed that this option agreement may be extended beyond Feb 15, 2014 by mutual written consent of both the Seller and Purchaser.

23. GOVERNING LAW: This contract shall be governed by the laws of the State of Oregon.

IN WITNESS WHEREOF, the parties have executed this Agreement on this the 12 day of Feb, 2009

WC Ranch, Inc. by Judy, Sec.

Seller

John M. A.

Purchaser

Seller

Sandra Hunt

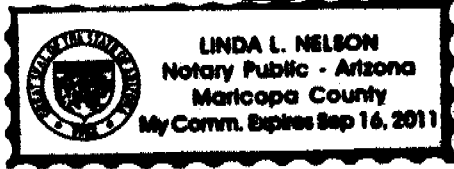
Purchaser - see original signature on page -3-A

STATE OF ARIZONA
COUNTY OF MARICOPA

PA

PERSONALLY appeared before me, the undersigned authority, the within named, Jeffrey M. Hunter, who acknowledged, signed, executed and delivered the above and foregoing agreement.

DATED this the 12th day of February, 2009.



Linda L. Nelson
NOTARY PUBLIC
My Commission Expires: 09/16/2011

STATE OF Oregon
COUNTY OF Klamath

PERSONALLY appeared before me, the undersigned authority, the within named, John W. Dey, Secretary for W.C. Ranch, Inc., an Oregon Corporation, who acknowledged, signed, executed and delivered the above and foregoing agreement.

DATED this the 13th day of February, 2009.



Kristi L. Redd
NOTARY PUBLIC
My Commission Expires: 11/16/2011

Personally appeared before me, the undersigned authority, the within names, SANDRA HUNTER, who acknowledged, signed, executed and delivered the above and foregoing agreement.

DATED this 17th day of February, 2009.

see page -4-A for notary acknowledgement

NOTARY PUBLIC FOR ARIZONA
My Commission Expires: _____

AMERITITLE has recorded this instrument by request as an accommodation only, and has not examined it for regularity and sufficiency or as to its effect upon the title to any real property that may be described therein.

JA

7552 E. Wethersfield Road

17356 Hill Road

Scottsdale, AZ 85260

Klamath Falls, OR 97603

Telephone 480-778-9690

Telephone 541-798-5807

Facsimile 480-991-3986

Facsimile 541-798-1064

17. ASSIGNMENT: This agreement may not be assigned by Purchaser without the consent of Seller. This agreement may be assigned by Seller and shall be binding on the heirs and assigns of the parties hereto.

18. PRIOR AGREEMENTS: This contract incorporates all prior agreements between the parties, contains the entire and final agreement of the parties, and cannot be changed except by their written consent. Neither party has relied upon any statement or representation made by the other party or any sales representative bringing the parties together. Neither party shall be bound by any terms, conditions, oral statements, warranties, or representations not herein contained. Each party acknowledges that he has read and understands this contract. The provisions of this contract shall apply to and bind the heirs, executors, administrators, successors and assigns of the respective parties hereto. When herein used, the singular includes the plural and the masculine includes the feminine as the context may require.

19. The Seller represents that it has employed the services of a real estate broker or agent in connection with the property, and that Seller shall pay such agent any and all expenses outside the closing of this agreement.

20. EMINENT DOMAIN: If the property is condemned by eminent domain after the effective date hereof, the Seller and Purchaser shall agree to continue the closing, or a portion thereof, or cancel this Contract. If the parties cannot agree, this contract shall remain valid with Purchaser being entitled to any condemnation proceeds at or after closing.

21. RECORDING: This agreement may be recorded in the official records of Klamath County, Oregon.

22. OTHER PROVISIONS

It is agreed that this option agreement may be extended beyond Feb 15, 2014 by mutual written consent of both the Seller and Purchaser.

23. GOVERNING LAW: This contract shall be governed by the laws of the State of Oregon.

IN WITNESS WHEREOF, the parties have executed this Agreement on this the 12 day of Feb, 2007

MC Ranca, Inc. by Judy, Sec.

Seller

John M. A.

Purchaser

Seller

Jessie Hunt

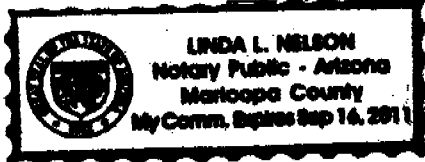
Purchaser
Jessie Hunt

STATE OF ARIZONA
COUNTY OF MARICOPA

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PERSONALLY appeared before me, the undersigned authority, the within named, Jeffrey M. Hunter, who acknowledged, signed, executed and delivered the above and foregoing agreement.

DATED this the 12th day of February, 2009.



Linda L. Nelson
NOTARY PUBLIC

My Commission Expires: 09/16/2011

STATE OF Oregon
COUNTY OF Clatsop

PERSONALLY appeared before me, the undersigned authority, the within named, John W. Dey, Secretary For W.C. Ranch, Inc., and Oregon Corporation, who acknowledged, signed, executed and delivered the above and foregoing agreement.

DATED this the 13th day of February, 2009

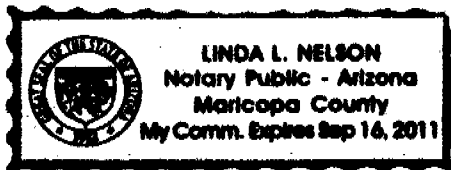


Kristi L. Redd
NOTARY PUBLIC

My Commission Expires: 11/16/2011

Personally appeared before me, the undersigned authority, the within names, SANDRA HUNTER, who acknowledged, signed, executed and delivered the above and foregoing agreement.

DATED this 17th day of February, 2009.



Linda L. Nelson
NOTARY PUBLIC FOR ARIZONA

My Commission Expires: 09/16/2011

AMERITITLE, has recorded this instrument by request as an accomodation only, and has not examined it for regularity and sufficiency or as to its effect upon the title to any real property that may be described therein.

VA

EXHIBIT "A"
LEGAL DESCRIPTION

That portion of the following described property lying Southwesterly of the Burlington Northern Railroad right of way.

PARCEL 1:

The following described property in Township 40 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon:

Section 21: Government Lot.4

Section 27: Government Lots 5, 6, 7, 8 and 9; N1/2 NW1/4; SE1/4 NW1/4;

SAVING AND EXCEPTING THEREFROM a parcel of land situated in the SE1/4 SE1/4, in Lot 5, and in Lot 6 all being in Section 27, Township 40 South, Range 10 East of the Willamette Meridian, and being more particularly described as follows:

Beginning at a point where the South line of said Section 27 intersects the Westerly right of way line of the Burlington Northern Railroad, from which the Southeast corner of said Section 27 bears South 89° 38' 24" East, 1097.43 feet; thence North 28° 45' 24" West, along said right of way line, 1029.75 feet; thence South 61° 14' 36" West 50.00 feet; thence North 28° 45' 24" West, 655.60 feet; thence along the arc of a 5629.65 foot radius curve to the left (delta equals 01° 10' 05"), 114.77 feet to the South line of a drainage easement; thence South 57° 42' West along the South line of said drainage easement, 275.64 feet, more or less, to a point on the mean high water line of the left bank of Lost River; thence Southeast along said mean high water line to a point on the South line of said Section 27; thence South 89° 38' 24" East, along said South line 751.73 feet, more or less, to the point of beginning.

Section 28: Government Lot 4

EXCEPTING FROM the above-described lands, Right of Way for Great Northern Railroad as set out in Transcript of Decree dated June 6, 1931, recorded November 2, 1931 in Volume 96, Page 246 Deed Records of Klamath County, Oregon.

ALSO EXCEPTING THEREFROM that portion lying within public roads and highways and within the USBR canals and drains.

PARCEL 2:

Lot 5, Section 21 in Township 40 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

EXCEPT the USBR "G" Canal.

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