



00160860201400113620210210

10/29/2014 02:25:41 PM

Fee: \$147.00

RECORDING COVER SHEET (Please Print or Type)

The information on this sheet is a reflection of the attached instrument for the purpose of meeting first page recording requirements, ORS 205.234.

If this cover page is included with your document, please add \$5.00 to the total recording fees.

AFTER RECORDING RETURN TO:

Andrew C. Brandsness
411 Pine Street
Klamath Falls, OR 97601

1) TITLE(S) OF THE TRANSACTION(S) ORS 205.234(a)

Option Agreement
Right of First Refusal

2) DIRECT PARTY / GRANTOR(S) ORS 205.125(1)(b) and 205.160

Richard and Charlotte Rodgers
9030 Shady Pine Road
Klamath Falls, OR 97601

3) INDIRECT PARTY / GRANTEE(S) ORS 205.125(1)(a) and 205.160

Staker & Parson Companies, a Utah corporation dba Klamath Pacific Co., an Oregon corporation
2350 South 1900 West
Ogden, UT 84401

4) TRUE AND ACTUAL CONSIDERATION

ORS 93.030(5) – Amount in dollars or other

\$ _____ Other

5) SEND TAX STATEMENTS TO:

6) SATISFACTION of ORDER or WARRANT

ORS 205.125(1)(e)

CHECK ONE: FULL
(If applicable) PARTIAL

7) The amount of the monetary obligation imposed by the order or warrant. ORS 205.125(1)(c)

\$ _____

8) If this instrument is being Re-Recorded, complete the following statement, in

accordance with ORS 205.244: "RERECORDED TO CORRECT _____ PREVIOUSLY RECORDED IN
BOOK _____ AND PAGE _____, OR AS FEE NUMBER _____."

OPTION AGREEMENT and RIGHT OF FIRST REFUSAL
FOR PURCHASE
AND SALE OF REAL PROPERTY

THIS OPTION AGREEMENT and RIGHT OF FIRST REFUSAL FOR PURCHASE AND SALE OF REAL PROPERTY (the "Option") is entered into this 24th day of August, 2006 (the "Effective Date"), by and between STAKER & PARSON COMPANIES, a Utah corporation dba KLAMATH PACIFIC CO., an Oregon corporation ("Grantee") and RICHARD & CHARLOTTE RODGERS ("Grantor" or "Grantors").

WHEREAS Grantors are the owners of two parcels of real property located in the city of Klamath Falls, Oregon, further described as that certain two parcels:

Area #1- 10.28 acres described as Township 37S, Range 8EWM, Section 25, Tax Lot 100, as further described in Exhibit "A" and

Area #2- 19.72 acres described as a parcel of land situated in the East ½ of Section 25, Township 37S, Range 8EWM, and the West ½ of Section 30, Township 37S, Range 9EWM as further described in Exhibit "B"

For a total combined amount of 30.00 acres as shown on Map in Exhibit "C".

WHEREAS Grantee desires to obtain an exclusive option and right of first refusal to purchase the Property for the purchase price and on the terms and conditions set forth in this Option, and Grantors are willing to grant such Option.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements contained in this Option, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by Grantors, Grantee and Grantors hereby agree as follows:

1. **OPTION TO PURCHASE AND FIRST RIGHT OF REFUSAL.**

1.1 **Option.**

1.1.1. **Property.** For and in consideration of the nonrefundable tender of One Thousand Dollars (\$1,000) and other good and valuable consideration (the "**Option Purchase Price**"), the receipt and sufficiency of which are hereby acknowledged, Grantors hereby grant to Grantee and Grantee hereby acquires from Grantors an option to purchase the Property and first right of refusal on the terms and conditions set forth in this Option. As used herein, the "**Property**" shall include the Property and all existing and future entitlements and easements of record pertaining thereto but excepting therefrom those certain irrigation water rights from Klamath Lake as shown on **Exhibit "D"**.

1.1.2. **Term.** The term of the Option granted herein shall commence on the Effective Date and shall expire Ten (10) years thereafter (the "**Initial Option Term**"). However, Grantee shall not exercise the Option granted herein prior to May 1, 2016 unless otherwise mutually agreed upon by both parties. If Grantee does not exercise the Option prior to its expiration due to the fact that Grantor has failed in its obligations specified under the terms of this agreement in Section 4.2 hereof, then the term of the Option shall automatically renew for an additional term of Ten (10) years beginning

immediately after the end of the Initial Option Term (the "**Extended Option Term**"). If Grantee does not exercise the Option prior to its expiration with entitlements in place, then Grantor shall provide Grantee a grace period of thirty (30) days wherein Grantor shall promptly make a request in writing from Grantee as to the intent of Grantee at that time. Grantee shall have 30 days (grace period) from the date of Grantor's written request to respond and provide Grantor information as to the intent of Grantee. Should Grantee not respond within the 30 day grace period then the option shall automatically terminate, and Grantors shall be released and discharged from any further obligation under the Option.

1.1.3. Exercise. Grantee may exercise the Option and right of first refusal by written notice of exercise given to Grantors as provided in Section 5.13 hereof, at any time after February 1, 2016. The option and/or right of first refusal may be exercised prior to February 1, 2016 but only if mutually agreed upon by both parties in writing.

1.1.4. Option Consideration. If Grantee exercises the Option granted herein, the Option Purchase Price shall be credited against the purchase price for the Property.

1.1.5. Right of First Refusal. Grantor agrees that prior to offering to any third party the right to purchase, lease or license any right to all or any portion of the property described on Exhibit "A", "B", and "C" attached hereto, Grantor shall provide Grantee with written notice (the "Notice") as well as provide Grantee the opportunity to exercise this option prior to offering to any third party all or any portion of the rights to the property.

1.1.6. Rights Run With the Land. The rights granted to Grantee as described herein shall run with the land, and shall be binding upon Grantor and Grantee and their respective successors and assigns, and shall inure to the benefit of Grantee and its successors and assigns, each of whom shall be an intended beneficiary (whether third party beneficiary or otherwise) of the rights granted to Grantee hereunder.

1.2 Purchase Price. The Purchase Price for the Property shall be Twenty Nine Thousand and 00/100 Dollars (\$29,000.00), which shall be paid in cash at closing.

2. ESCROW AND CLOSING.

2.1 Opening of Escrow. Within three (3) days after the exercise of this Option, Grantee shall open an escrow (the "**Escrow**") with AmeriTitle, 300 Klamath Avenue, Klamath Falls, OR 97601 ("**Escrow Holder**"), by depositing with Escrow Holder the fully executed Option, and the written exercise of the Option.

2.1.1. Additional Escrow Instructions. The parties shall execute such additional escrow instructions as may be required by Escrow Holder, provided such escrow instructions shall incorporate the Option as part thereof and shall contain such other standard and usual provisions as may be required by Escrow Holder, and provided further that no escrow instructions shall modify or amend any provision of this Option, unless expressly set forth in writing by mutual consent of Grantee and Grantors. If there is a conflict between any such standard or usual provisions and the provisions of this Option, the provisions of this Option shall control.

2.1.2. Escrow Fees and Other Charges. At the Close of Escrow (a) Grantors shall pay: (i) the cost of the Title Policy (defined below), (ii) one-half (1/2) of the Escrow Holder's fees, and (iii) a pro-rated share of property taxes; and (b) Grantee shall pay: (i) one-half (1/2) of the Escrow Holder's fees, (ii) the ALTA portion of the premium for the Title Policy if Grantee elects ALTA extended coverage; (iii) all recording fees; and (c) all other costs related to the transaction shall be paid by the parties in the manner consistent with common practice in Klamath County.

2.1.3. Closing Date. The Close of Escrow for the Property shall occur on a date (the "**Closing Date**") mutually acceptable to Grantors and Grantee, but in no event less than seven (7) days, nor more than ninety (90) days following Grantee's notice of exercise of the Option granted herein.

2.1.4. Closing. As used in this Agreement, the Close of Escrow shall mean the date a General Warranty Deed ("**General Warranty Deed**") is recorded in the official records of the county. The Close of Escrow shall take place on the Closing Date at the offices of the Title Company.

2.2 Closing Documents.

2.2.1. Grantors' and Grantee's Deposits. Grantors and Grantee shall each deposit such instruments as are reasonably required by Escrow Holder, or otherwise required to proceed to the applicable Close of Escrow and consummate the sale of the Property in accordance with the terms of this Option.

2.3 DEFAULT.

2.3.1. Grantee's Default. In the event of Grantee's default or breach of this Agreement before the Close of Escrow, Grantor may terminate this Agreement or otherwise have all remedies at law or in equity.

2.3.2. Grantors' Default. In the event that the Close of Escrow does not occur due to a default under this Agreement by Grantors, where such default or breach is not cured by Grantors within five (5) days of Grantors' receipt from Grantee of written notice of such default or breach, Grantee may terminate this Agreement and shall have the right to an immediate and unqualified refund of the \$1,000 Option money together with all other remedies available at law or in equity, including specific performance.

2.3.3. Escrow Fees on Default. If the failure to close is due to the default of one of the parties, the defaulting party shall bear the sole and full liability for paying any escrow cancellation fee.

3. ACTIONS PENDING CLOSE OF ESCROW.

3.1 Title Review. Within seven (7) days after Opening of Escrow, Grantors shall cause Escrow Holder to furnish Grantee with a Preliminary Title Report (PTR) on the Property.

3.2 Title Policy. Grantee's obligation to proceed to the Close of Escrow shall be conditioned upon the commitment by the Escrow Holder to issue, at the applicable Close of

Escrow, an ALTA Standard Owner's Policy of Title Insurance. At Grantee's option, Grantee may require an ALTA Owner's Policy with extended coverage, provided that Grantee pays any additional premium on account thereof, including, but not limited to, the cost of any survey.

3.3 Access and Testing. At any time during the Option Term, and upon reasonable notice to Grantors, Grantee, its agents and employees shall have the right to enter the Property for the purpose of conducting such investigations, inspections and tests of the Property as Grantee deems necessary. Grantee further hereby agrees to indemnify, defend (with counsel reasonably satisfactory to Grantors) and hold Grantors harmless from and against any and all loss, expense, penalty, judgment, lawsuit, claim, damage and injury to person or property resulting from the acts of Grantee, Grantee's agents, contractors and/or subcontractors in connection with the performance of any investigation, due diligence or other activities upon the Property as contemplated herein. Notwithstanding anything to the contrary contained herein, the indemnity contained in this Section shall survive the Close of Escrow or earlier termination of this Agreement.

4. REPRESENTATIONS, WARRANTIES AND COVENANTS.

4.1 Grantors' Representations, Warranties and Covenants. In addition to the representations, warranties and covenants of Grantors contained in other sections of this Agreement, each Grantor hereby represents, warrants, and covenants to Grantee as follows, all of which shall survive the Close of Escrow:

4.1.1. Grantors are the sole owners in fee simple of the applicable portion of the Property and have the full right, capacity, power and authority to enter into and carry out the terms of this Agreement. Grantors have not alienated, encumbered, transferred, leased, assigned or otherwise conveyed Grantors' interest in the applicable portion of the Property, or any portion thereof except as set forth in the PTR, nor entered into any Agreement to do so. The entering into a performance by Grantors of the transactions contemplated by this Agreement will not violate or breach any agreement, covenant or obligation binding on Grantors.

4.1.2. To the best of Grantors' actual knowledge, there are not mechanic's or materialman's liens or similar claims or liens now asserted against the Property for work performed or commenced prior to the date hereof; and Grantors shall timely satisfy and discharge any and all obligations relating to work performed on or conducted at or materials delivered to the Property from time to time in order to prevent the filing of any claim or mechanic's lien with respect thereto.

4.1.3. Grantors are not in default under the provisions of any deed of trust or other encumbrance, lien or restriction on the Property.

Each of the representations and warranties made by each of the Grantors in this Agreement, or in any Exhibit or on any document or instrument delivered pursuant hereto, shall be true and correct in all material respects on the date hereof, and shall be deemed to be made again as of the Close of Escrow and shall then be true and correct in all material respects. The truth and accuracy of each of the representations and warranties, and the performance of all covenants of Grantors contained in this Agreement, are conditions precedent to the Close of

Escrow. Grantors shall notify Grantee immediately of any facts or circumstances which are contrary to the foregoing representations and warranties contained in this Paragraph 4.1.

4.2 Disclaimer of Other Warranties.

4.2.1. Other Warranties. Grantor represents, warrants, and covenants to obtain all necessary entitlements for the intended specific land use of Grantee and matters that may apply to Grantee in connection with Grantee's development of the Property, as well as, perform the necessary land partition, prior to the expiration of Initial Option Term, of the thirty (30) acres of property from the original parcels of property.

4.2.2. "AS-IS / Where Is" Sale. Grantee hereby acknowledges and agrees that if it exercises the Option, it is purchasing the Property in "AS IS / WHERE IS" condition as of the date of exercise of the Option. Grantee shall conduct its own investigation and inspection of the Property, and will obtain expert advice in Grantee's discretion, as to matters relevant to Grantee's anticipated use of the Property.

4.2.3. Survival. The provisions of Section 4.2.2 shall survive the Close of Escrow and recordation of the General Warranty Deed.

4.3 Grantee's Representations and Warranties. Grantee represents and warrants to Grantors as follows, all of which shall survive the Close of Escrow:

4.3.1. Grantee is an Oregon corporation duly organized, validly existing and in good standing in the State of Oregon, and has the capacity and full power and authority to enter into and carry out the agreements contained in, and the transactions contemplated by, this Agreement, and that this Agreement has been duly authorized and executed by Grantee and, upon delivery to and execution by Grantors, shall be a valid and binding Agreement of Grantee.

5. GENERAL PROVISIONS.

5.1 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall, for all purposes, be deemed an original and all such counterparts taken together, shall constitute one and the same instrument.

5.2 Further Assurances. Each of the parties agrees to execute and deliver such other instruments and perform such acts, in addition to the matters specified herein, as may be appropriate or necessary to effectuate the agreements of the parties, whether the same occurs before or after the Close of Escrow.

5.3 Entire Agreement. This Agreement constitutes the entire Agreement among the parties hereto with respect to the subject matter hereof, and supersede all prior understandings or agreements. This Agreement may be modified only by a writing signed by both parties. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement whether or not actually attached.

5.4 Headings. Headings used in this Agreement are for convenience of reference only and are not intended to govern, limit, or aid in the construction of any term or provision hereof.

5.5 Choice of Law. This Agreement and each and every related documents are to be governed by, and construed in accordance with, the laws of the State of Oregon, without giving effort to such state's conflicts of law provisions.

5.6 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction or rendered by the adoption of a statute by the State of Oregon or the United States invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

5.7 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant, condition or promise, or of the time for performing any act, under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by such party of any other covenant, condition or promise, or of the time for performing any other act required, under this Agreement. The exercise of any remedy provided in this Agreement shall not be a waiver of any other remedy provided by law, and the provisions of this Agreement for any remedy shall not exclude any other remedies unless they are expressly excluded.

5.8 Legal Advice. Each party has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions hereof. The provisions of this Agreement shall be construed as to the fair meaning and not for or against any party based upon any attribution of such party as the sole source of the language in question.

5.9 Time of the Essence. Time shall be of the essence as to all dates and times of performance, whether they are contained herein or contained in any escrow instructions to be executed pursuant to this Agreement, and all escrow instructions shall contain a provision to this effect.

5.10 Relationship of Parties. The parties agree that their relationship is that of Grantors and Grantee, and that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, nor shall this Agreement be deemed to create any form of business organization between the parties hereto, nor is either party granted the right or authority to assume or create any obligation or responsibility on behalf of the other party, nor shall either party be in any way liable for any debt of the other.

5.11 Attorneys' Fees. If any party hereto institutes an action or proceeding for a declaration of the rights of the parties under this Agreement, for injunctive relief, for an alleged breach or default of, or any other action arising out of, this Agreement, or the transactions contemplated hereby, or if any party is in default of its obligations pursuant

thereto, whether or not suit is filed or prosecuted to final judgment, the non-defaulting party or prevailing party shall be entitled to its actual attorneys' fees and to any court costs incurred, in addition to any other damages or relief awarded.

5.12 Assignment. This Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the parties to this Agreement.

5.13 Notices. All notices and demands which either party is required or desires to give to the other shall be given in writing by U.S. certified mail, return receipt requested with appropriate postage paid, by personal delivery, or by private overnight courier service to the address set forth below for the respective party, provided that if any party gives notice of a change of name or address or number, notices to that party shall thereafter be given as demanded in that notice. All notices and demands so given shall be effective upon receipt by the party to whom notice or demand is being given, except that any notice given by certified mail shall be deemed delivered one (1) day after deposit in the United States mails.

If to Grantors: Richard & Charlotte Rodgers
 9030 Shady Pine Road
 Klamath Falls, OR 97601

If to Grantee: Staker & Parson Companies
 Attention: Dak Maxfield, Real Estate Manager
 2350 West 1900 West
 PO Box 3429
 Ogden, Utah 84409

6. RE-ALIGNMENT OF COUNTY RIGHT-OF-WAY.

It is anticipated that during the term of the option Klamath County will propose to perform an equal trade for the existing Right-of-Way that currently exists through the work areas being utilized by Grantee for a new Right-of-Way on the south end of the land that is included in this option to allow the County to construct a more direct connection to Highway 97. If this opportunity occurs, the Grantor agrees to pursue the completion of such agreement in a method that is agreeable to the Grantee. If any such agreement is made, the Right-of-Way that is obtained in the trade will be used to replace (to the Grantee) the Right-of-Way that is transferred to Klamath County. Irregardless of the precise acreage that is involved in the trade with Klamath County, it will be considered as an equal trade with regard to this option agreement and the new Right-of-Way area. The new Right-of-Way will be included as part of the property as defined in this option at no additional cost to the Grantee.

[Signatures on Next Page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

GRANTEE:

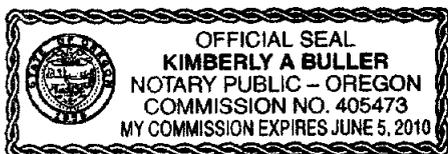
STAKER & PARSON COMPANIES, INC.
dba KLAMATH PACIFIC CO.
2918 Edison Avenue
Klamath Falls, OR 97603

By: *Ronald Criss*
Ronald Criss
Vice President

On this 24 day of August, 2006, personally appeared the above named RONALD CRISS who is 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.

Before me:

Kimberly A Buller
Notary Public for Oregon
My Commission Expires: 6/5/10



GRANTORS:

RICHARD & CHARLOTTE RODGERS

By: *Richard Rodgers*
Richard Rodgers

By: *Charlotte Rodgers*
Charlotte Rodgers

On this 24 day of August, 2006, personally appeared the above named RICHARD RODGERS and CHARLOTTE RODGERS who are known to me to be the identical individuals described in and who executed the within instrument and acknowledged to me that they executed the same freely and voluntarily.

Before me:

Kimberly A Buller
Notary Public for Oregon
My Commission Expires: 6/5/10

EXHIBIT "A"
Property Description
For
The Property listed as Area #1

(SEE ATTACHED DOCUMENT)

10:04 AM 9 PM 3:00

Vol M04 Page 77341

State of Oregon, County of Klamath
Recorded 11/09/04 3:09 P m
Vol M04 Pg 77341-42
Linda Smith, County Clerk
Fee \$ 26.00 # of Pgs 2

C04-166

STATUTORY WARRANTY DEED

DONALD A. HURD and LINDA A. HURD, husband and wife, Grantors, convey and warrant to FREDERIC SCHILDMAYER and ROBERTA SCHILDMAYER, husband and wife, as tenants by the entirety, Grantees, the following described real property situated in Klamath County, Oregon, described as follows:

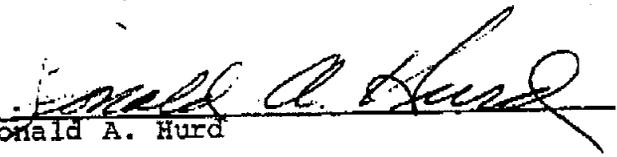
(See Description on Back)

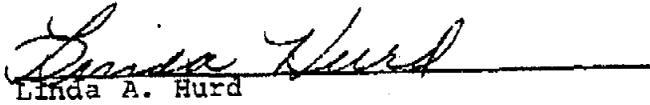
The true and actual consideration for this conveyance is none. This deed is to correct the description of real property conveyed by unrecorded deed dated November 10, 1975 from Grantors in which Wendell P. and Sherry L. Sperling are the Grantees.

Until a change is requested, all tax statements are to be sent to the following address:

Richard R. Rodgers and Charlotte Rodgers
7030 Shady Pine Rd
Klamath Falls, Or 97601

DATED this 20 day of March, 1981.


Donald A. Hurd


Linda A. Hurd

STATE OF OREGON)
 Luvy) ss.
County of Klamath)

On this 20th day of March, 1981, personally appeared the above named DONALD A. HURD and LINDA A. HURD, who are known to me to be the identical individuals described in and who executed the within instrument and acknowledged to me that they executed the same freely and voluntarily.

Before me:


NOTARY PUBLIC FOR OREGON
My Commission Expires: 6-23-83

24F

77342

A piece or parcel of land situated in Lot 6, Section 30, Township 37 South, Range 9 East of Klamath County, Oregon, being more particularly described as follows:

Beginning at the meander corner of the Westerly boundary of Section 30, Township 37 South, Range 9 East of the Willamette Meridian, from which the Northwest corner of said Section bears North 1° 17' East 1803.1 feet distant; thence South 0° 33' West along the Westerly boundary of said Section 30 460.6 feet; thence East 283.0 feet, more or less, to the meander line; thence North 31° 10' West along the meander line 538.3 feet, more or less to the point of beginning.

AND a piece or parcel of land situate in Lots 1 and 5, Section 25, Township 37 South, Range 8 East of the W.M. in Klamath County, Oregon being more particularly described as follows:

All those portions of Lots 1 and 5, Section 25, Township 37 South Range 8 East of the W.M. lying Northerly and Easterly from the center line of Klamath County Road No. 698 (original Dalles-California Highway) as the same is presently located and constructed.

↑
AREA (1) - 10.28 acres

EXHIBIT "B"
Property Description
For
The Property listed as Area #2

(SEE ATTACHED DOCUMENT)

Exhibit "B"
Area (2)

**LEGAL DESCRIPTION OF:
KLAMATH PACIFIC CORP.
NORTH PIT LEASE AREA**

7/24/06

A parcel of land situated in the E1/2 of Section 25, T.37S. R.8E. and the W1/2 of Section 30, T37S. R.9E. of the W.M., Klamath County Oregon, being more particularly described as follows:

Commencing at the northeast corner of said Section 25 thence South $02^{\circ}13'53''$ West, 1499.49 feet to the TRUE POINT OF BEGINNING, said point being on the southwesterly right-of-way line of Shady Pine Road; thence along said right-of-way line, along the arc of a 24850.48 foot radius curve to the right, through a central angle of $01^{\circ}18'35''$ (the long chord of which bears South $30^{\circ}21'42''$ East, 568.05 feet) an arc distance of 568.06 feet to a point of compound curvature; thence continuing along said right-of-way line, along the arc of a 2053.89 foot radius curve to the left, through a central angle of $09^{\circ}41'19''$ (the long chord of which bears South $33^{\circ}25'10''$ East, 346.90 feet) an arc distance of 347.31 feet; thence, continuing along said right-of-way line, South $37^{\circ}14'05''$ East, 596.14 feet; thence, leaving said right-of-way line, North $89^{\circ}03'07''$ West, 1315.63 feet to the easterly right-of-way line of Highway 97; thence along said easterly right-of-way line, North $00^{\circ}10'19''$ West, 773.13 feet to the southwest corner of Parcel 2 as described in Deed Volume M04-79169, as recorded at the Klamath County Clerks Office; thence leaving said easterly right-of-way line and along the southerly line of said Parcel 2, South $89^{\circ}03'07''$ East, 466.63 feet to the southeast corner of said Parcel 2; thence along the easterly line of said Parcel 2 the following two courses, North $01^{\circ}29'53''$ East, 460.60 feet; thence North $02^{\circ}13'53''$ East a distance of 6.70 feet to the Point of Beginning. Basis of Bearings is Grid north of the Oregon State Plane Coordinates System of 1983, South Zone.

Containing 19.72 Acres, more or less.

EXHIBIT "C"
Property Map
For
The Properties listed as Areas #1 & #2

(SEE ATTACHED DOCUMENT)

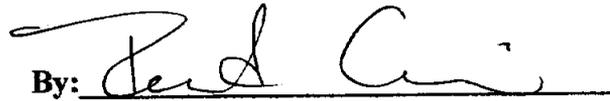
EXHIBIT "D"
Klamath Lake Irrigation Rights
For
The Properties listed as Areas #1 and #2

(SEE ATTACHED DOCUMENT)

EXHIBIT "D"
Klamath Lake Irrigation Rights
For
The Properties listed as Areas # 1 and #2

The parties agree that this Purchase option in no way grants or conveys any use or rights to use of Klamath Lake Water for any purpose under Oregon State Water Permit # 45562.

GRANTEE:
STAKER & PARSON COMPANIES

By: 

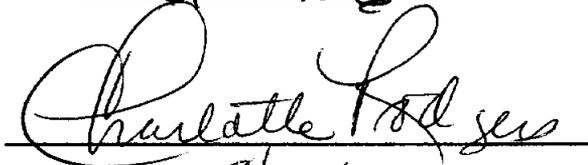
Its: Vice President

Date: 8/24/06

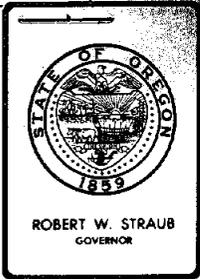
GRANTORS:
RICHARD & CHARLOTTE RODGERS



Date: 8/24/06



Date: 8/24/06



Water Resources Department

MILL CREEK OFFICE PARK

555 13th STREET N.E., SALEM, OREGON 97310 PHONE 378-3066

March 31, 1981

Richard R. and Charlotte D. Rodgers
Route 5, Box 1146 X
Klamath Falls, Oregon 97601

File No. 61208

Dear Mr. and Mrs. Rodgers:

Enclosed find Permit No. 45562.

PLEASE READ CAREFULLY THE FOLLOWING INSTRUCTIONS

Your permit has been recorded in this office but you should hold the original permit as evidence of your water right. If the land is sold, an assignment to the new owner must be recorded in this office. Assignment blanks will be furnished upon request.

The permit which appears on the back page of the application fixes time limits for beginning of construction, completion of construction, and complete application of water to beneficial use. The law requires that you begin actual construction work within one year from the date of issuance of the permit or your right will be lost. The Water Resources Director is authorized to extend the time for completion of construction and for complete application of water upon proper showing, but has no authority to extend the time limit for beginning of construction.

Forms A, B, and C may be attached for submitting (A) Notice of Beginning of Construction, (B) Notice of Completion of Construction, and (C) Notice of Complete Application of Water. If your application has stated that construction has already started, or that construction work is completed, or that complete application of water has been made, only the required forms will be attached.

If your project will require only a portable pumping plant and pipelines, the acquisition of such equipment will be considered construction.

When complete application of water has been made, Form C should be submitted as the first step in proof of appropriation. When proof satisfactory to the Water Resources Director has been made, the right will be confirmed by issuance of a certificate. The certificate will limit the right to the extent that water has been applied to beneficial use in accordance with the terms of the permit.

The late summer flow in nearly all streams is required to

STATE OF OREGON WATER RESOURCES DEPARTMENT RECEIVED

Application for Permit to Appropriate Surface Water

FEB 3 1981

ASSIGNED RICHARD R. & CHARLOTTE D. RODGERS

WATER RESOURCES DEPT. SALEM, OREGON

I, FRED SCHILDMAYER (Name of Applicant)

of Rt 5 Box 1306 Rt 5, Box 1146-X, KLAMATH FALLS (Mailing Address) (City)

State of OREGON, 97601 Phone No. 882-7988 (Zip Code) do hereby

make application for a permit to appropriate the following described waters of the State of Oregon:

1. The source of the proposed appropriation is UPPER KLAMATH LAKE, a tributary of KLAMATH RIVER

2. The point of diversion is to be located 400 ft. S and 850 ft. W from the NW corner of Sec. 30 (Public Land Survey Corner)

(If there is more than one point of diversion, each must be described)

being within the NE 1/4 of the NE 1/4 of Sec. 25 Tp. 37S R. 8E, W. M., in the county of KLAMATH

3. Location of area to be irrigated, or place of use if other than irrigation.

Table with 5 columns: Township, Range, Section, List 1/4 1/4 of Section, List use and/or number of acres to be irrigated. Contains handwritten entries for Township 37S, Range 9E, Section 30 and 31.