

RESOLUTION NO. 1552

A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN AN AGRICULTURAL LEASE AGREEMENT AND AGREEMENT FOR OPTION TO PURCHASE FOR MAP NO. 36 SW 34, TAX LOTS 200 AND 300

Recitals:

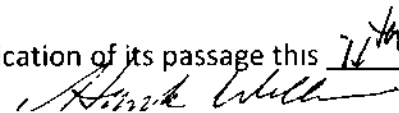
- A. The City of Central Point acquired real property consisting of 47 acres commonly referred to as Map No. 36 SW 34, Tax Lots 200 and 300 located behind 5795 Upton Road in 1975 for a future sewer treatment facility (the "Property").
- B. In 1982 the City of Central Point decided to transfer its sewers to Rogue Valley Sewer Services as part of a regional program.
- C. The City has been leasing the Property for farming purposes since the time of acquisition.
- D. The City Council finds it would be in the best interest of the public to agree to lease the property to the current owners of 5795 Upton Road for the purpose of industrial hemp production.
- E. The current property owners would like to include an option to buy after the initial three year lease has concluded

The City of Central Point resolves as follows:

Section 1. The agricultural lease and the option agreement for that real property located in Central Point, Jackson County Oregon, commonly referred to as Map No. 36 SW 34, Tax Lots 200 and 300 are attached as Exhibits "A" and "B".

Section 2. The City Manager is authorized to execute the agricultural lease and option agreement and any other documents necessary to effectuate this lease and option agreement.

Passed by the Council and signed by me in authentication of its passage this 11<sup>th</sup> day of October 2018.



Mayor Hank Williams

ATTEST:



City Recorder

## AGRICULTURAL LEASE

Date July 1, 2018 ("Effective Date")

Between: **City of Central Point, Oregon** ("Landlord")  
An Oregon municipal corporation  
140 South Third Street  
Central Point, Oregon 97502

And: **Forest Stroud.** ("Tenant")  
An individual,  
4001 Little Applegate Road  
Jacksonville, Oregon 97530

### RECITALS

**A.** Landlord is the owner of certain real property located in Jackson County, Oregon, and commonly known as Township 36 South, Range 2 West, Section 34, Tax Lots 200 and 300 (collectively, "the Premises"), a more particular description of the Premises being attached hereto as **Exhibit "A"**. The subject property is approximately 47.25 acres in size and consists of undeveloped agricultural land. Approximately 35 acres of the Premises is currently suitable for the intended agricultural use.

**B.** Landlord and Tenant have entered into an *Agreement for Option to Purchase* with an effective date of July 1, 2018 in conjunction with this Agreement ("the Option").

**C.** Landlord desires to lease the Premises to Tenant subject to the terms and conditions of this Lease and Tenant desires to lease the Premises from Landlord subject to the terms and conditions of this Lease. The Lease is for agricultural purposes only.

### AGREEMENT

In consideration of the mutual promises, covenants and undertakings of the parties herein contained, the parties hereby agree as follows:

**1. Recitals.** The parties acknowledge and agree that the above-stated Recitals are incorporated herein and deemed a material part of this Agreement.

**2. Term.** The term of this Lease shall commence on July 1, 2018 and shall terminate on June 30, 2021, at 11:59 p.m. Notwithstanding the foregoing, Tenant shall have the right to terminate this Lease upon 120 days written notice to Landlord. Upon termination of the Lease, Tenant shall cause any existing crops to be removed from the Premises and all irrigation facilities shall remain on the Premises in good working order unless otherwise agreed to by the parties. Tenant is accepting the condition of the Premises "As Is".

**2.1 Extension Option.** If the Lease is not in default at the time the option is

exercised or at the time the renewal term is to commence. Tenant shall have the option to extend this lease for two (2) successive terms of one (1) year each, as follows:

(1) The extension term shall commence on the day following expiration of the preceding term

(2) The extension option may be exercised by written notice to Landlord given not less than 90 days prior to the last day of the expiring term. The giving of such notice shall be sufficient to make the Lease binding for the extension term without further act of the parties.

(3) The terms and conditions of the Lease for each extension term shall be identical with the original term except that, following the expiration of the two (2) extension terms, Tenant shall have no further right to extend this Lease.

**3. Rent.** Tenant shall pay \$1,200.00 an acre annually based upon 35 useable acres for an annual amount of \$42,000.00, to be paid in quarterly installments as follows:

July 1, 2018	\$10,500.00 (Payment Received)
October 1, 2018	\$10,500.00 (Payment Received)
January 1, 2019	\$10,500.00
April 1, 2019	\$10,500.00
July 1, 2019	\$10,500.00
October 1, 2019	\$10,500.00
January 1, 2020	\$10,500.00
April 1, 2020	\$10,500.00
July 1, 2020	\$10,500.00
October 1, 2020	\$10,500.00
January 1, 2021	\$10,500.00
April 1, 2021	\$10,500.00

Rent shall be due and payable in accordance with the above-stated rent schedule. Rent payments shall be timely made to the City of Central Point Finance Department located at 140 South Third Street, Central Point, Oregon 97502.

**4. Permitted Use.** The Premises shall be used for agricultural purposes, including, but not limited to the growing and processing of hemp or other crops located on the Premises. Tenant's use of the Premises shall conform to all applicable laws and regulations of any public authority affecting the Premises. Notwithstanding the foregoing, the growing and/or processing of recreational and/or medical marijuana shall be prohibited on the Premises. Tenant, at Tenant's own expense, shall promptly correct any failure of compliance created through Tenant's fault or by reason of Tenant's use of the Premises. Tenant shall not cause or permit any hazardous substance to be spilled, leaked, disposed of, or otherwise released on or under the Premises or the subject property.

**5. Tenant's Use and Obligations.** Tenant shall keep the Premises in good condition and Tenant shall not store trash or allow any unsightly condition to occur consistent with the intended use of the Premises. Tenant shall make no permanent improvements or

alterations on the Premises of any kind without first obtaining Landlord's written consent, which consent shall not be unreasonably delayed or withheld. In the event such permanent improvements are made, such permanent improvements made shall become the property of Landlord unless otherwise agreed to in writing by the parties.

**6. Taxes; Utilities.** Tenant shall pay as due all taxes on its personal property located on the Premises. Landlord shall be solely responsible for all real property taxes and assessments. Tenant shall be solely responsible for all dues, charges and assessments for irrigation water provided to the Premises imposed by the Rogue River Valley Irrigation District or other irrigation water provider ("the RRVID Charges"). Tenant shall reimburse Landlord for all RRVID Charges relating to the Premises during the term of this Lease. Tenant shall reimburse Landlord for such RRVID Charges within ten (10) business days of receiving written notice from Landlord of the amount of the RRVID Charges and that Landlord has paid the same. RRVID Charges shall be prorated consistent with the term of this Lease. In the event utility services are provided to the Premises, Tenant, at Tenant's sole expense, shall be pay when due all such utility charges

**7. Eminent Domain.** In the event the Premises or any significant portion thereof is condemned, the rent owing shall be adjusted based on the following formula: number of remaining usable acres subsequent to the condemnation multiplied by \$1,200 00. Tenant shall be entitled to condemnation proceeds specifically allocated towards the value of existing planted crops at the time of the condemnation

**8. Liability and Indemnity.**

**8.1 Liens** Tenant shall pay as due all claims for work done on and for services rendered or material furnished to the Premises and shall keep the Premises free from any liens. If Tenant fails to pay any such claims or to discharge any lien, Landlord may do so and collect the cost as additional rent. Any amount so added shall bear interest at the rate of 12 percent per annum from the date expended by Landlord and shall be payable on demand. Such action by Landlord shall not constitute a waiver of any right or remedy which Landlord may have on account of Tenant's default. Notwithstanding the foregoing, Tenant may withhold payment of any claim in connection with a good-faith dispute over the obligation to pay, as long as Landlord's property interests are not jeopardized. If a lien is filed as a result of nonpayment, Tenant shall, within 10 business days after knowledge of the filing, secure the discharge of the lien or deposit with Landlord cash or sufficient corporate surety bond or other surety satisfactory to Landlord in an amount sufficient to discharge the lien plus any costs, attorney fees, and other charges that could accrue as a result of a foreclosure or sale under the lien.

**8.2 Indemnification.** Tenant shall indemnify and defend Landlord from any claim, loss, or liability, including Landlord's costs and fees incurred in defending against such claims, arising out of any condition of the Premises or related to any activity on the Premises by Tenant, including Tenant's guests, invitees, agents, and unsolicited visitors

**8.3 Liability Insurance.** Before going into possession of the Premises, Tenant shall procure and thereafter during the term of this Lease shall continue to carry the following insurance at Tenant's cost: commercial general liability policy (occurrence version) in a

responsible company with coverage for bodily injury and property damage liability and medical payment with a general aggregate limit of not less than \$1,000,000 and a per occurrence limit of not less than \$1,000,000. Such insurance shall cover all risks arising directly or indirectly out of Tenant's activities on or any condition of the Premises whether or not related to an occurrence caused or contributed to by Landlord's negligence. Such insurance shall protect Tenant against the claims of Landlord on account of the obligations assumed by Tenant under Section 8.2 and shall name Landlord as an additional insured. Certificates evidencing such insurance and bearing endorsements requiring a minimum of 10 days' written notice to Landlord prior to any change or cancellation shall be furnished to Landlord prior to Tenant's occupancy of the Premises.

**9. Default.** The following shall be events of default:

**9.1 Default in Rent** Failure of Tenant to pay monthly rent when due or other charges imposed on Tenant pursuant to the terms of this Lease.

**9.2 Default in Other Covenants** Failure of Tenant to comply with any term or condition or fulfill any obligation of the Lease (other than the payment of rent or other charges) within 20 days after written notice by Landlord specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 20-day period, this provision shall be complied with if Tenant begins correction of the default within the 20-day period and thereafter, proceeds with reasonable diligence and in good faith to affect the remedy as soon as practicable.

**10. Remedies on Default.**

**10.1 Termination.** In the event of a default, the Lease may be terminated at the option of Landlord by written notice to Tenant. Whether or not the Lease is terminated by the election of Landlord or otherwise, Landlord shall be entitled to recover damages from Tenant for the default, and Landlord may reenter, take possession of the Premises, and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages and without having accepted a surrender.

**10.2 Damages.** In the event of termination or retaking of possession following default, Landlord shall be entitled to recover immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the Lease term, the following amounts as damages.

(1) The loss of rental from the date of default until a new tenant is, or with the exercise of reasonable efforts could have been, secured and paying out

(2) The reasonable costs of reentry and reletting including without limitation the cost of any cleanup, refurbishing, removal of Tenant's property, or any other expense occasioned by Tenant's default including but not limited to any repair costs, attorney fees, court costs, broker commissions, and advertising costs

**10.3 Remedies Cumulative.** The foregoing remedies shall be in addition to and shall

not exclude any other remedy available to Landlord under applicable law.

**11. Miscellaneous**

**11.1 Assignment and Sublease.** No part of the Premises may be assigned or subleased without the prior written consent of Landlord, which may be withheld for any reason. Notwithstanding the foregoing, Tenant may enter into a sublease agreement with Botanical Research Systems, LLC, an Oregon limited liability company in which Tenant is the sole member, provided said subtenant fully complies with all terms and conditions of this Lease and the ownership/membership of Botanical Research Systems, LLC, remains unchanged.

**11.2 Attorney Fees and Costs.** If suit or action is instituted in connection with any controversy arising out of this Lease, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees at trial, on petition for review, and on appeal.

**11.3 Notices.** Notices under this Lease shall be in writing and shall be effective when actually delivered by hand delivery, electronic correspondence or United States mail directed to the other party at the address set forth below, or to such other address as the party may indicate by written notice to the other:

Landlord: City of Central Point  
Attn: Public Works Director  
140 South Third Street  
Central Point, Oregon 97502  
matt.samitore @ centralpointoregon gov

Tenant: Forest Stroud  
4001 Little Applegate Road  
Jacksonville, Oregon 97530  
forest @mountaingreenhouse net

Either the Landlord or the Tenant may change their respective address or addressee by giving notice of such change to the other party in the manner provided herein.

**11.4 Modification.** No modification of this Lease shall be valid unless in writing and signed by the parties hereto.

**11.5 Governing Law; Interpretation.** This Lease shall be governed by the laws of Oregon. Exclusive venue and jurisdiction for any dispute concerning this Lease shall be in Jackson County, Oregon.

**11.6 Time Is of the Essence.** Time is of the essence of this Lease.

**11.7 Counterparts.** This Lease may be executed by the parties in separate counterparts. For the purposes of this Lease, a facsimile or electronic copy of a signature shall have the same force and effect as an original signature.

**11.8 Non-Discrimination.** Tenant shall not (and Tenant shall not permit any person claiming through or under Tenant to) discriminate against or segregate any person or group of persons on account of race, color, creed, sex, religion, marital status, ancestry, or national origin, whether in the use, occupancy, subleasing, transferring, or enjoyment of the Premises, or otherwise

**IN WITNESS WHEREOF,** the parties have executed this Lease to be effective as of the date first set forth above.

LANDLORD:

By:  
Its:

TENANT:

Forest Stroud

## EXHIBIT A

### TRACT A:

Commencing at the northeast corner of Donation Land Claim No. 56 in Township 36 South, of Range 2 West of the Willamette Meridian in Jackson County, Oregon; thence West along the north line of said Claim, 3761.15 feet to the true point of beginning; thence South and parallel to the east line of said Claim, 1305.08 feet; thence West and parallel to the north line of said Claim 1418.53 feet, more or less, to intersect the west line of said Claim; thence North, along the west line of said Claim, 1305.08 feet to the northwest corner thereof; thence East along the north line of said Claim, 1418.53 feet to the true point of beginning.

### TRACT B:

Beginning at a point on the east line of Donation Land Claim No. 56 in Township 36 South, Range 2 West of the Willamette Meridian in Jackson County, Oregon, said point being 1305.08 feet South of the northeast corner of said Claim; thence continuing South along the east line of said Claim, a distance of 40.0 feet; thence West parallel with the north line of said Claim, a distance of 5179.68 feet to the west line of said Claim No. 56; thence North along said west line, a distance of 40.0 feet; thence East parallel with the north line of said Claim, a distance of 5179.68 feet to the point of beginning.



**AGREEMENT FOR  
OPTION TO PURCHASE**

Date: July 1, 2018 ("Effective Date")

Between: **City of Central Point, Oregon** ("Owner")  
An Oregon municipal corporation  
140 South Third Street  
Central Point, Oregon 97502

And: **Forest Stroud.** ("Optionee")  
An individual,  
4001 Little Applegate Road  
Jacksonville, Oregon 97530

**RECITALS**

**A.** Owner is the owner of certain real property located in Jackson County, Oregon, and commonly known as Township 36 South, Range 2 West, Section 34, Tax Lots 200 and 300 (collectively, "the subject property"), a more particular description of the subject property being attached hereto as **Exhibit "A"**. The subject property is approximately 47.25 acres in size and is undeveloped except for irrigation facilities and minor roadway improvements

**B.** Owner and Optionee have entered into an *Agricultural Lease* with an effective date of July 1, 2018 in conjunction with this Agreement ("the Lease"). Owner desires to grant Optionee an option to purchase the subject property in consideration of Optionee entering into the Lease.

**C.** Optionee desires an option to purchase an undivided 100% interest in the subject property and Owner desires to grant Optionee an option to purchase an undivided 100% interest in the subject property.

**AGREEMENT**

In consideration of the mutual promises, covenants and undertakings of the parties herein contained, the parties hereby agree as follows:

**1. Recitals.** The parties acknowledge and agree that the above-stated Recitals are incorporated herein and deemed a material part of this Agreement.

**2. Option to Purchase**

**2.1 Grant of Option.** Owner, for and in consideration of Optionee entering into the Lease, grants to Optionee the sole and exclusive option to purchase the subject property in the

manner and for the price stated in this Agreement ("the Option"). In the event the Lease is terminated by the parties, this Agreement shall automatically terminate without notice and be of no further force or effect.

**2.2 Term.** The Term of the Option shall commence upon July 1, 2018 and shall terminate on June 1, 2021. The Term of the Option may be referred to in this Agreement as the "Term".

**2.3 Exercise of Option.** This Option shall be exercised, if at all, by written notice (the "Exercise Notice") given by Optionee to Owner on or after January 1, 2021, but on or before June 1, 2021, which notice shall state that Optionee has elected to exercise this Option. This Option may be exercised only with respect to all of the subject property. Upon exercise of this Option, Optionee shall be obligated to purchase the subject property from Owner, and Owner shall be obligated to sell the undivided 100% interest in the subject property to Optionee, for the price and in the manner herein set forth. This Option may only be exercised if Optionee is currently in compliance with all obligations imposed on Optionee pursuant to the Lease.

**2.4 Failure to Exercise Option.** In the event Optionee fails for any reason to exercise this Option in the manner set forth herein, Optionee shall have no further claim against or interest in the subject property. In the event of the failure to exercise the Option, Optionee shall provide Owner with any instrument that Owner may reasonably deem necessary for the purpose of removing from the public record any cloud on title to the subject property which is attributable to the grant or existence of this Option, if any.

**2.5 Purchase Price.** In the event the Option is exercised in compliance with the requirements of Section 2.3 and within the period set forth in Section 2.3 of this Agreement, the purchase price for the 100% interest in the subject property shall be **Four Hundred Sixteen Thousand and No/100 Dollars (\$416,000.00)** ("the Purchase Price")

**3. Purchase and Sale.** Upon exercise of this Option in compliance with the requirements of Section 2.3 and within the period set forth in Section 2.3 of this Agreement, Optionee shall be obligated to purchase the subject property from Owner, and Owner shall be obligated to sell the undivided 100% interest in the subject property to Optionee, subject to the terms and conditions set forth herein.

**3.1 Payment of Purchase Price.** The purchase price for the subject property shall be payable as follows:

**3.1.1** Optionee shall be given no credit for rent payments paid to Owner pursuant to the Lease.

**3.1.2** The Purchase Price shall be paid in cash at Closing

**3.2 Title.** On the Closing Date Owner shall execute and cause to be recorded in the Official Records of Jackson County, Oregon, a special warranty deed conveying the subject

property to Optionee. Title to the subject property shall be conveyed to Optionee free and clear of all encumbrances, except for the encumbrances set forth in Paragraphs \_\_\_ through \_\_\_ of the Title Report ("the Accepted Encumbrance(s)"), a copy of which is attached hereto and marked **Exhibit "B"**. Notwithstanding the foregoing, any encumbrance on title resulting from Optionee's activities shall be deemed an Accepted Encumbrance and shall be accepted by Optionee at Closing. As soon as practicable after Closing, and in any event no later than 30 days after the Closing Date, Owner shall cause the Escrow Agent to issue its standard form Owners Title Insurance Policy, without extended coverage, in the amount of the Purchase Price, insuring fee simple title to the subject property vested in Optionee, subject only to the standard title policy exceptions and the exceptions set forth in **Exhibit "B"**.

### **3.3 Closing.**

**3.3.1 Time and Place.** Closing of the sale and purchase of the subject property (the "Closing") shall occur on July 1, 2021 (the "Closing Date"). The escrow for the Closing shall be established at the office of First American Title Company of Oregon located at 1225 Crater Lake Avenue, Suite 101, Medford, Oregon ("Escrow Agent")

**3.3.2 Closing Obligations.** On the Closing Date, Owner and Optionee shall deposit the following documents and funds in escrow, and the Escrow Agent shall close escrow in accordance with the instructions of Owner and Optionee:

#### **3.3.2.1** Owner shall deposit the following

(1) The conveyance documents described in Section 5.2, duly executed and acknowledged;

(2) Such other documents and funds, including (without limitation) escrow instructions, as are required of Owner to close the sale in accordance with this Agreement.

#### **3.3.2.2** Optionee shall deposit the following:

(1) Such documents and funds, including (without limitation) escrow instructions, as are required of Optionee to close the sale and purchase of the subject property in accordance with this Agreement.

### **3.3.3 Costs of Closing.**

**3.3.3.1 Seller's Costs and Expenses.** At Closing, Owner shall pay (i) one-half (1/2) of the Escrow Agent's fee; (ii) the premium for an Owner's standard title insurance policy in the amount of the Purchase Price; (iii) all recording and miscellaneous charges customarily attributable to a seller in similar transactions; and (iv) attorney fees incurred by seller with respect to negotiating this Agreement, if any

**3.3.3.2 Purchaser's Costs and Expenses.** At Closing, Optionee shall pay (i) one-half (1/2) of the Escrow Agent's Fee; (ii) any premium for additional title insurance endorsements

desired by Optionee over and above those provided by a standard title insurance policy (iii) all recording and miscellaneous charges customarily attributable to purchasers in similar transactions, and (iv) all attorneys' fees incurred by Optionee with respect to negotiating this Agreement, if any.

**3.3.4 Prorations.** Owner and Optionee understand that certain items will need to be prorated among the parties at Closing including, but not limited to real property taxes. Real estate taxes payable for the current year shall be prorated on the Closing Date between the Owner and the Optionee.

**4. Ownership.** During the Term, or any extension thereof, Owner shall not sell, contract to sell or otherwise transfer the subject property, any part of thereof, or any interest therein, nor grant an option to any third party to acquire all or any portion of the subject property unless such transfer or grant is expressly subject to the rights of Optionee.

**5. Casualty and Condemnation.**

**5.1 Casualty or Condemnation.** In the event of threatened or actual condemnation of a material portion of the subject property prior to the Closing Date, at Optionee's option, Optionee may elect to proceed with the purchase of the subject property or may terminate this Agreement by written notice to Seller provided within ten (10) days after Purchaser's receipt of written notice of the occurrence of such threatened or actual condemnation. In the event Optionee elects to terminate this Agreement, neither party shall have any further rights, liabilities or obligations hereunder.

**5.2 Election to Close.** If Optionee elects to proceed with the purchase of the subject property despite a condemnation action, then upon Closing, all condemnation proceeds shall be paid towards payment of the Purchase Price. The Purchase Price shall not be reduced, Optionee shall have no claim against Owner relating to such condemnation other than any claim relating to the delivery of any condemnation proceeds and Optionee shall acquire the subject property at Closing in its then condition

**5.3 Risk of Loss.** Except as otherwise provided herein, the risk of loss prior to Closing rests with Owner.

**6. Brokerage Fees.** No real estate brokerage fee or commission is owing in conjunction with this transaction.

**7. Miscellaneous Provisions.**

**7.1 Assignment.** The parties' rights and obligations under this Agreement shall not be assigned to any third party except that the parties acknowledge that Optionee shall have the right to assign Optionee's interest in this Agreement to a limited liability company in which Optionee is a majority member.

**7.2 Attorneys' Fees.** In any proceeding brought to enforce this Agreement or to

determine the rights of the parties under this Agreement. the prevailing party shall be entitled to collect, in addition to any judgment awarded by a court, its reasonable attorney fees incurred, and all costs and expenses incurred in connection with such a lawsuit, including attorney fees, expenses of litigation, and costs of appeal For purposes of this Agreement, the prevailing party shall be that party in whose favor final judgment is rendered or who substantially prevails, if both parties are awarded judgment. The term "proceeding" shall mean and include arbitration, administrative, bankruptcy, and judicial proceedings including appeals.

**7.3 Notices.** Notices under this Agreement shall be in writing and shall be effective when actually delivered by hand delivery, electronic correspondence, facsimile or United States mail directed to the other party at the address set forth below, or to such other address as the party may indicate by written notice to the other:

**Owner:**

City of Central Point  
Attn: Public Works Director  
140 South Third Street  
Central Point, Oregon 97502  
matt\_samitore@centralpointoregon.gov

**Optionee:**

Forest Stroud  
4001 Little Applegate Road  
Jacksonville, Oregon 97530  
forest@mountaingreenhouse.net

**7.4 Entire Understanding.** This Agreement, and the documents incorporated herein, consists of the entire Agreement between the parties with relation to the conveyance of the subject property.

**7.5 Time of Essence.** Time is of the essence of this Agreement.

**7.6 Applicable law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

**7.7 Counterparts.** This Agreement may be executed by the parties in separate counterparts For the purposes of this Agreement, a facsimile or electronic copy of a signature shall have the same force and effect as an original signature

**7.8 Statutory Disclaimer.**

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED

IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

**IN WITNESS WHEREOF**, the parties have executed this Agreement for Option to Purchase on the date first written above, which is its effective date.

By:  
Its:

"OWNER"

—  
"OPTIONEE"

## EXHIBIT "A"

### TRACT A:

Commencing at the northeast corner of Donation Land Claim No. 56 in Township 36 South, of Range 2 West of the Willamette Meridian in Jackson County, Oregon; thence West along the north line of said Claim, 3761.15 feet to the true point of beginning; thence South and parallel to the east line of said Claim, 1305.08 feet; thence West and parallel to the north line of said Claim 1418.53 feet, more or less, to intersect the west line of said Claim; thence North, along the west line of said Claim, 1305.08 feet to the northwest corner thereof; thence East along the north line of said Claim, 1418.53 feet to the true point of beginning.

### TRACT B:

Beginning at a point on the east line of Donation Land Claim No. 56 in Township 36 South, Range 2 West of the Willamette Meridian in Jackson County, Oregon, said point being 1305.08 feet South of the northeast corner of said Claim; thence continuing South along the east line of said Claim, a distance of 40.0 feet; thence West parallel with the north line of said Claim, a distance of 5179.68 feet to the west line of said Claim No. 56; thence North along said west line, a distance of 40.0 feet; thence East parallel with the north line of said Claim, a distance of 5179.68 feet to the point of beginning.