



Sale Agreement # _____
 Addendum _____

OPTION AGREEMENT

1 This Option Agreement should only be used in conjunction with an Oregon Real Estate Forms, LLC Real Estate Sale Agreement (hereinafter "the
 2 Sale Agreement"). If not fully understood, seek competent legal advice before signing. It is strongly recommended that the parties review the
 3 OREF informational document entitled "Options and Lease-Options – A Brief Summary" before signing this, or any similar Option or Lease-Option
 4 Agreement.

5 This Option Agreement is entered into on _____, _____ between _____ ("Grantor") who is granting certain option rights
 6 as hereinafter defined, and _____ ("Grantee") who is acquiring said option rights. For ease of reference, the designation
 7 "Grantor" shall hereinafter be referred to as "Seller" and the designation "Grantee" shall hereinafter be referred to as "Buyer."

8 **1. SELLER REPRESENTATIONS AND WARRANTIES:** Seller makes the following representations and warranties to Buyer: (1) Seller currently has
 9 marketable title to the Property, subject only to those easements, liens and deed restrictions currently of record ("the Encumbrances"); (2) All of the
 10 Encumbrances are current and free from default; (3) Seller has not received any notices from the holders of any of the Encumbrances that they are or
 11 will be in default; (4) The parties agree that prior to execution of this Option Agreement (*select one*), Seller will will not, order a current title report
 12 (*not a title insurance policy*) on the Property in order to verify for Buyer the status of the title to the Property, which will be paid for by (*select one*)
 13 Buyer or Seller. (5) Seller covenants and agrees that Seller will not voluntarily encumber marketable title to the Property prior to termination of
 14 this Option Agreement or the Option Deadline (as defined below) whichever first occurs, without first securing the written consent of Buyer. The
 15 preceding sentence shall not be construed to prohibit the assessment of normal property taxes which Seller will pay in the ordinary course up to the
 16 date of closing, if applicable, nor prohibit any encumbrances that will not unreasonably interfere with Seller's ability to convey marketable title to Buyer in
 17 accordance with the Sale Agreement. (Excepting only real property taxes not yet due, in the event the Option is exercised, all liens, assessments or
 18 other charges against the Property attaching to the title after the date this Option Agreement has been signed by all parties, shall be removed by Seller
 19 at Seller's sole cost and expense, on or before the date of Closing.)

20 **2. RENTAL/LEASE AGREEMENT:** A Rental/Lease Agreement, dated _____ (*select one*) is is not attached hereto as Exhibit _____ and
 21 made a part hereof. (*If a Rental/Lease Agreement is to be attached, the parties are encouraged to use a form of agreement that is currently used for*
 22 *similar properties in their local area.*) When applicable, if no agreement can be reached regarding the form of the Rental/Lease Agreement by
 23 (*insert date*) _____, this Option Agreement shall be null and void and any consideration paid for it by Buyer shall be promptly refunded, and this
 24 entire transaction shall be terminated, excepting only those provisions, such as Section 14, which by their terms are intended to survive. So long as
 25 Buyer is not otherwise in default under the Rental/Lease Agreement, at the exercise of the Option and closing of the purchase of the Property pursuant
 26 to the Sale Agreement in accordance with Sections 7 and 8 below, the Purchase Price shall be reduced by the following percentage of the monthly
 27 rental or lease payments actually paid on time in accordance with the Rental/Lease Agreement: _____%.

28 **3. GRANT OF OPTION; RECORDING:** Subject to the terms and conditions contained below, Seller hereby grants to Buyer the option ("Option") to
 29 acquire the following property: _____ (the "Property").
 30 ***Prior to checking one of the following boxes, Buyer and Seller should consult with competent legal counsel, as there may be significant***
 31 ***legal consequences to either or both parties arising from recording – or failing to record – a Memorandum of the Option:***

32 Is a Memorandum of the Option ("the Memorandum") to be recorded in the county records where the Property is located? Yes No
 33 If "Yes," the recording charge will be paid as follows: Entirely by Buyer Entirely by Seller Shared as follows: ____Buyer/ ____Seller
 34 (*If the Memorandum is to be recorded, it should be done promptly following execution of this Option Agreement. OREF form #085-Memorandum of*
 35 *Option Agreement is available for this purpose depending upon advice of the parties' legal counsel. Buyer agrees to cooperate in good faith by*
 36 *executing any and all documents required by any title company (of Seller's choice) to remove the recorded Memorandum if, for any reason, Buyer*
 37 *does not exercise the Option in accordance with this Option Agreement.*)

38 **4. ALLOCATION OF RISK:** Buyer and Seller each acknowledge that if there are one or more **underlying loans currently recorded on the Property that**
 39 **may** contain prohibitions against renting the Property and/or granting an option to purchase the Property, without the lender(s)' consent. Both parties
 40 acknowledge that there is a risk that one or more lenders could call the loan immediately due and owing, **and exercise** other available default remedies,
 41 such as foreclosure. The parties agree that (*select one*) (a) Buyer shall have the immediate right to exercise the Option within twenty (20) business
 42 days of any declaration of default by a lender; or (b) Seller shall undertake primary responsibility to refinance or pay off all Encumbrances and take
 43 such other steps reasonably **necessary** to cure the default and the Rental/Lease Agreement, the Sale Agreement, and/or Option Agreement shall
 44 remain in full force and effect, or (c) Other _____



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45 **Buyer and Seller acknowledge that they have been advised by their listing and selling licensees to secure separate legal advice before**
 46 **entering into the Rental/Lease Agreement, Sale Agreement, and/or Option Agreement, and that they have not been provided any legal advice**
 47 **by said licensees, whom they acknowledge are not experts in the law.**

48 **5. OPTION DEADLINE:** Unless exercised in accordance with the terms of this Option Agreement, the Option shall fully and completely expire at
 49 (check one): 5:00 p.m. on _____, or _____ ("the "Option Deadline"). Time is expressly declared to be of the essence as to all obligations
 50 or performance deadlines required or permitted in this Option Agreement.

51 **6. CONSIDERATION FOR OPTION:** Seller acknowledges receipt of the consideration for the Option in the sum of \$_____, evidenced by check
 52 cash promissory note or other (describe) _____ (the "Option Payment"). The Option Payment (regardless
 53 of its form (e.g., check, cash, note, or other such instrument or consideration) shall, where applicable, be drawn or made payable to Seller and
 54 upon signing of this Option Agreement by Buyer and Seller and delivery of the Option Payment to Seller or Seller's authorized agent or
 55 representative, shall be deemed fully earned by and belong exclusively to the Seller, regardless of whether or not the Option is exercised. Under
 56 no circumstances shall the Option Payment be deemed to be "trust funds" as defined in Oregon law or regulations, and, accordingly, the Option
 57 Payment shall not be deposited in a client trust account or neutral escrow depository. If Buyer exercises the Option in accordance with the Sale
 58 Agreement identified below, the Option Payment (check one): shall shall not, be applied to the Purchase Price at Closing. (If no box is
 59 checked the Option Payment shall not be applied to the purchase price of the Property at Closing.) If the Option is exercised, under no
 60 circumstances shall the Option Payment be designated, used or applied as a refundable or nonrefundable earnest money deposit.

61 **7. EXERCISE OF OPTION:** So long as Buyer is not then in default under the Rental/Lease Agreement, if applicable, or this Option Agreement, Buyer
 62 may exercise the Option once prior to the Option Deadline, by written notification to Seller, simultaneously sent by certified mail, return receipt
 63 requested and regular first class mail, both addressed to Seller at _____, or by manual delivery to Seller. Delivery shall be deemed to have
 64 occurred as of the date of postmark of the earliest letter (if mailings are not simultaneously sent) or the date of manual delivery to Seller, whichever first
 65 occurs. For informational purposes only, Buyer shall simultaneously provide a copy of the written notice to Buyer's Real Estate Firm, if any. If this
 66 Option Agreement is accompanied by a Rental/Lease Agreement, unless and until the Option is exercised in accordance with this Option Agreement,
 67 Buyer's legal rights to the Property shall be conclusively presumed to be limited to the rights of possession arising under the ORLTA, as defined below,
 68 and Buyer's and Seller's rights and remedies shall be exclusively governed by ORS Chapter 90 and ORS 105.105, et. seq.

69 **8. PURCHASE PRICE, TERMS, AND CLOSING:** The parties have entered into a Sale Agreement, dated _____ which is attached hereto
 70 as Exhibit _____ and made a part hereof. In the event the Option is exercised, the Purchase Price and terms shall be in accordance with the Sale
 71 Agreement to the extent they are not inconsistent with the terms of this Option Agreement. The closing of the transaction shall be no sooner than ____
 72 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 written notification of exercise
 73 of the Option. (Note: While the Option Payment may be applied to the Purchase Price of the Property if so provided in this Option Agreement, it shall
 74 not be applied as earnest money in the Sale Agreement.)

75 **9. FAILURE TO EXERCISE OPTION:** If Buyer fails for any reason (other than Seller's default under this Option Agreement) to timely and properly
 76 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
 77 Option Agreement or Sale Agreement. If the Option is properly exercised, but the transaction fails to close, Buyer's and Seller's rights to any earnest
 78 money deposit shall be determined by the terms of the Sale Agreement, but in no event shall the Option Payment be refunded to Buyer. In the event
 79 Buyer fails or refuses to timely exercise the Option Agreement or fails to close in accordance with the Sale Agreement (or otherwise is in breach of the
 80 Sale Agreement), the Rental/Lease Agreement (select only one): shall continue for the balance of the lease or rental term; shall be deemed
 81 automatically terminated with no further written notice from either party, on the _____ business day (10th if not filled in) following failure to timely
 82 exercise the Option or close in accordance with the Sale Agreement; or Other: _____.

83 **10. BREACH OF RENTAL/LEASE AGREEMENT:** If the Property is rented or leased to Buyer under a Rental/Lease Agreement, and, prior to the Option
 84 Deadline, Buyer is in default under the Rental/Lease Agreement or abandons the Property, or a judgment of eviction is entered against Buyer, this
 85 Option Agreement and the Sale Agreement shall automatically terminate with no further action of Seller. A "default under the Rental/Lease Agreement"
 86 shall be defined to mean any matter for which Seller would have the right to institute eviction proceedings against Buyer under the Oregon Residential
 87 Landlord Tenant Act ("ORLTA"), ORS Chapter 90, and ORS 105.105 et. seq (Oregon's eviction laws). In such case, the Option Payment shall be
 88 retained by Seller and this Option Agreement and the Sale Agreement shall be of no further binding effect except to the extent that Buyer's and Seller's
 89 rights to any earnest money deposit shall be determined by the terms of the Sale Agreement.

90 **11. NO TRANSFER:** Buyer shall not, without Seller's express written consent, sublease, assign, transfer or convey any right, title or interest in
 91 this Option Agreement, the Sale Agreement, the Rental/Lease Agreement or the Property itself, to any third party prior to Closing. Any
 92 unauthorized transfer by Buyer shall be void and of no effect, and this Option Agreement shall be deemed to be automatically null and void,
 93 in which case, Seller shall retain the Option Money and the Sale Agreement shall be of no further binding effect except to the extent that
 94 Buyer's and Seller's rights to any earnest money deposit shall be determined by the terms of the Sale Agreement.

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- 95 **12. AMENDMENT:** This Option Agreement may not be modified or amended except by written agreement, signed by Buyer and Seller.
- 96 **13. PROPERTY DISCLOSURE/WAIVER OF RIGHT OF REVOCATION:** The Property (*select one*) is is not subject to Seller's Property
 97 Disclosure under ORS 105.462 – 105.490. If Seller's Property Disclosure applies, a completed and signed disclosure form (*select one*) is attached
 98 hereto, or will be provided to Buyer within _____ business days (five [5] if not filled in) of the date Buyer and Seller sign and accept this Option
 99 Agreement. In consideration of Seller providing the disclosure form in the manner provided above prior to exercise of the Option, Buyer expressly
 100 waives the right of revocation under ORS 105.475 if the Option is exercised. However, if the Property is subject to Seller's Property Disclosure, and no
 101 disclosure form is provided to Buyer pursuant to this Section 13, it shall be provided to Buyer promptly upon Buyer's notice of exercise of the Option
 102 pursuant to Section 7, above, and Buyer shall thereafter retain all rights of revocation as allowed by law. Notwithstanding anything to the contrary
 103 contained herein, any exercise of Buyer's right of revocation under ORS 105.462-105.490, shall not entitle Buyer to any right of refund of the Option
 104 Payment or rents paid pursuant to a Rental/Lease Agreement. List any exceptions to the preceding:_____.
- 105 **14. DISPUTE RESOLUTION:** Subject only to the following sentence, in the event of any dispute regarding any matters arising directly or indirectly out of
 106 this Option Agreement, including interpretation of the documents and exhibits made a part hereof, the entire dispute resolution provisions contained in
 107 the Sale Agreement, including but not limited to the mandatory mediation and arbitration provisions thereof, shall apply. However, in the event Buyer is
 108 in default under a fully executed Rental/Lease Agreement, Seller shall have the right to initiate court action for eviction pursuant to ORS 105.105, et
 109 seq. Any dispute regarding Buyer's right of possession under the Rental/Lease Agreement shall be heard and decided exclusively in eviction court,
 110 and any remaining rights relating to ownership of the Property shall be heard and decided exclusively in accordance with the dispute resolution
 111 provisions of the Sale Agreement. This Paragraph 14 shall survive termination, cancellation or expiration of this Option Agreement.
- 112 **15. UNDERLYING ENCUMBRANCES/SELLER REPRESENTATIONS/DEFAULT:** *Buyer is advised to verify the condition of title to the Property, prior to*
 113 *entering into this Option Agreement.* In the event there are financial Encumbrances, such as voluntary or involuntary liens, recorded against the
 114 Property, Seller shall provide Buyer with copies of one or more statements disclosing the following: (a) The total current monthly installments of
 115 principal, interest, and taxes and insurance (regardless of whether they are paid directly or to the lender); (b) Proof of insurance on all structures,
 116 together with the amount of the premiums; (c) A copy of the promissory note(s) disclosing the term and nature of the financing (e.g. fixed, adjusting,
 117 interest only, etc.). It is understood and agreed that Seller will, if requested by Buyer, provide Buyer with evidence of payment of all sums made to the
 118 holder of the Encumbrances (*select only one*): monthly, quarterly, annually, or Other (*describe*) _____. Seller warrants
 119 and represents that: (a) Seller is not in default of any payments required to be made under any financial Encumbrances as of the date of this Option
 120 Agreement; (b) Seller will at all times pay all sums due under all financial Encumbrances; and (c) Seller will promptly inform Buyer of any notices of
 121 default received from the holders or servicers of any financial Encumbrances. In the event Seller receives a notice of default under any financial
 122 Encumbrance arising on account of the failure to make any payments (excepting only an acceleration of the entire indebtedness on account of this
 123 transaction), Buyer shall have the immediate right to terminate this Option Agreement and receive a refund of the entire Option Payment, together with
 124 interest at the rate of 9.00% per annum. Provided, however, receipt of such refund shall not limit or prevent Buyer from pursuing any other legal
 125 remedies against Seller, including, but not limited to, specific performance of the Sale Agreement. Seller shall have the right to cure any such default
 126 within ten (10) days of receipt of such notice, or the time set forth in the notice of default, whichever first occurs, and avoid Buyer's right to immediately
 127 terminate this Option Agreement.
- 128 **16. ADDITIONAL PROVISIONS:** _____

129	Grantee ("Buyer") _____	Date _____	←	Grantor ("Seller") _____	Date _____	←
130	Grantee ("Buyer") _____	Date _____	←	Grantor ("Seller") _____	Date _____	←
131	Selling Licensee _____			Listing Licensee _____		
132	Selling Firm _____			Listing Firm _____		



AFTER RECORDING RETURN TO:

TAX STATEMENT TO:

MEMORANDUM OF OPTION AGREEMENT

1 By Option Agreement dated _____, _____ as Grantor and _____ as Grantee, Grantor agreed to grant
2 an Option to Grantee for certain real property located in _____ County, Oregon which is described as follows:

3 See the Attached Exhibit A

4 The terms and conditions of the Option are fully set forth in said Option Agreement and reference is made hereby. The true and actual
5 consideration for this conveyance is _____ (\$_____). The term of the Option expires on *(insert same*
6 *date and time as stated in the Agreement)* _____, if not sooner exercised, waived, or terminated. If this Option is not
7 exercised, or is waived, expires or terminated, Grantee agrees to cooperate with Grantor to record such document(s) as reasonably
8 necessary to remove or release this Memorandum from the public record.

9 BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT
10 THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER
11 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009. THIS INSTRUMENT DOES
12 NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS
13 AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE
14 PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE
15 UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR
16 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST
17 FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING
18 PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER
19 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009.

20 IN WITNESS WHEREOF, the Grantor(s) has/have executed this Memorandum of Option Agreement on the ____ day of
21 _____, _____.

22 **GRANTOR(S) (Include all names of Grantors in Option Agreement):**

23 _____, Grantor
24 _____, Grantor

25 STATE OF OREGON)
26) ss:
27 County of _____)

28 Personally appeared before me the above named _____ and _____,
29 Grantor(s) and acknowledged the foregoing instrument to be his/her/their voluntary act and deed.

30 _____
31 Notary Public for _____
32 My commission expires: _____

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MEMORANDUM OF OPTION AGREEMENT

33 **GRANTEE(S) (Include all names of Grantees in Option Agreement):**

34 _____, Grantee

35 _____, Grantee

36 STATE OF OREGON)

37) ss:

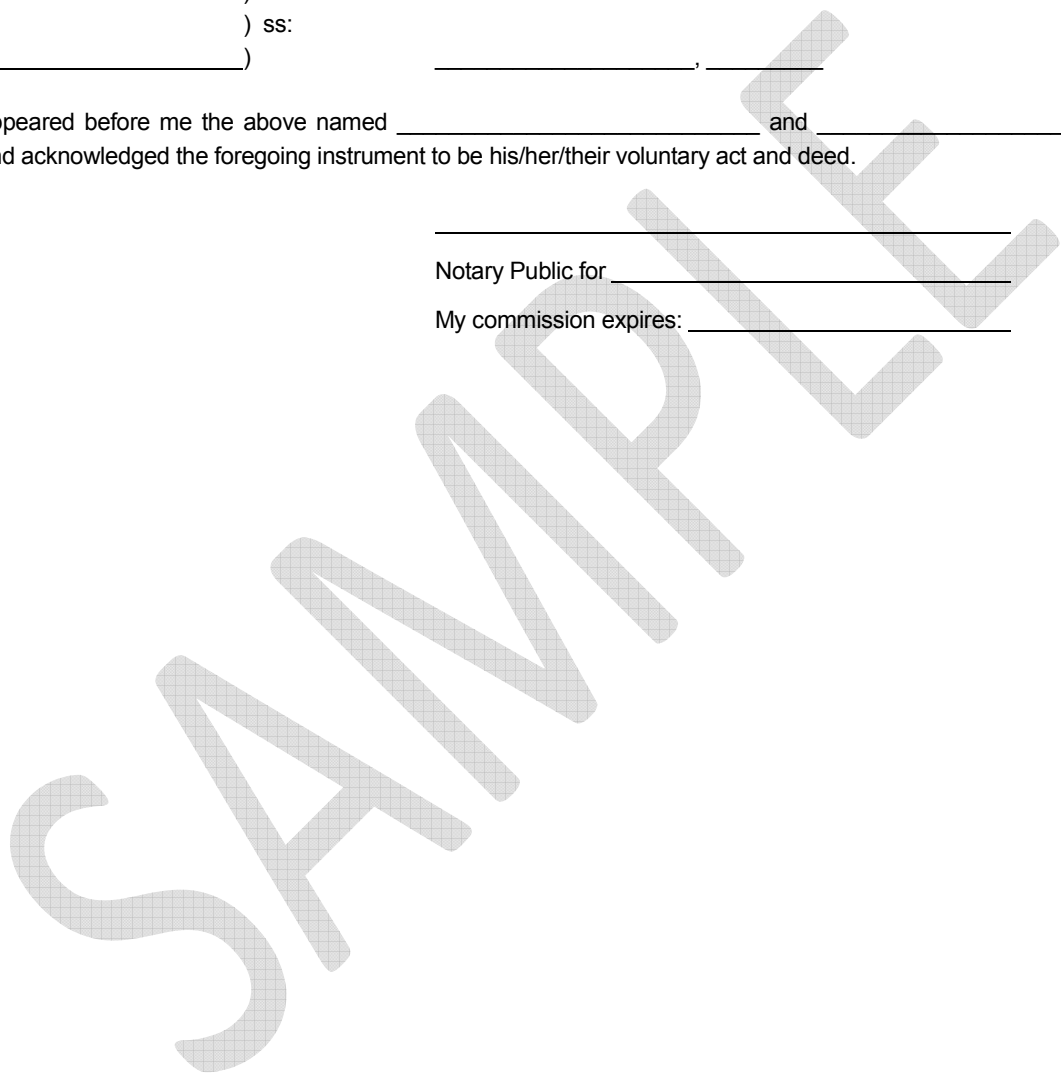
38 County of _____) _____, _____

39 Personally appeared before me the above named _____ and _____,
40 Grantee(s) and acknowledged the foregoing instrument to be his/her/their voluntary act and deed.

41 _____

42 Notary Public for _____

43 My commission expires: _____



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