

OPTION CONTRACT

Rodney A. Sawatzky and Karen M. Sawatzky, hereinafter referred to as "Seller," for and in consideration of the sum of \$5,000.00 and other good and valuable consideration, hereby grants to the Clinton Public Works Authority, an Authority organized and existing under and by virtue of the laws of the State of Oklahoma, hereinafter referred to as "Buyer," the exclusive right and option to purchase the following described property located in Custer County, Oklahoma, together with all rights of ingress and egress to the property including the road currently constructed from Custer Avenue, for a period of one (1) year from the date the Oklahoma Department of Environmental Quality approves the permit for the use of the municipal reverse osmosis water injection well, to-wit:

SURFACE INTEREST ONLY IN AND TO: A tract or parcel of land lying in the Southwest Quarter (SW $\frac{1}{4}$) of Section 16, Township 12 North, Range 17 West of the Indian Meridian, Custer County, Oklahoma, described as follows: Commencing at the Southwest Corner of said SW $\frac{1}{4}$; thence S 89°16'30" E and along the South line of said SW $\frac{1}{4}$ a distance of 1285.88 feet; thence N 0°43'30" E a distance of 1752.62 feet to the point of beginning; thence N 0°43'30" E a distance of 265.21 feet; thence S 89°16'30" E a distance of 200.00 feet; thence S 19°05'21" W a distance of 343.15 feet to a point on the North right-of-way of the A.T.&S.F. Railroad; thence N 55°55'47" W and along said right-of-way a distance of 110.00 feet to the point of beginning, containing 1.027 acres more or less, (Prepared by Darrell McCarther, RLS #1130).
Basis of Bearing – S 89°16'30" E on South line from GPS
(hereinafter collectively referred to as the "Property")

for a purchase price of \$75,000.00 per acre at any time, upon completion of the injection well and approval by Oklahoma Department of Environmental Quality of Buyer's permit of a municipal reverse osmosis water injection well upon the above described tract. This option shall be exercised by Buyer notifying Seller, in writing, of Buyer's desire to exercise such option, which notice must either be hand-delivered to Seller at

_____ or sent by registered certified mail to the Seller at
_____.

In the event this option is exercised, then and in that event, the parties agree as follows:

1. The parties shall be bound by this instrument as a contract for sale and purchase and Buyer will pay the amount of the purchase price to Seller at the time of closing which shall be set within five business days after title is approved as described in Section 2 below. At the time of closing, Buyer will receive credit on the purchase price for the \$5,000.00 this date paid.

2. Within 20 days after said option is exercised as heretofore provided, Seller, at Seller's expense, will furnish Buyer with an abstract of title showing marketable title to the surface of the Property to be in Seller. For the purpose of this Contract, "marketable title" shall be defined and construed under the Real Estate Title Examination Standards adopted by the Oklahoma Bar Association. Buyer shall have 10 days after delivery of said abstract to Buyer in which to examine the abstract, at Buyer's expense, and specify in writing to Seller any objections to said title or all title objections are deemed waived. Seller shall have 90 days after receipt of Buyer's written title objections in which to cure such objections. In the event Seller is unable to correct such title objections within such time, this Contract shall be null and void and of no further force and effect.

3. At the time of closing, Seller will deliver a good and sufficient warranty deed, with proper documentary stamps affixed thereto, conveying marketable title to the surface of the Property to Buyer or to Buyer's nominee, subject to easements and rights-of-way of record, if any.

4. Additionally, this Option shall give Buyer the ability to construct and develop the subject municipal reverse osmosis well immediately, once this option is executed and DEQ approves the construction permit therefor.

5. Buyer additionally agrees to construct, a six (6) wire fence around the perimeter of the subject tract and will hold Seller harmless for any line extension fees associated with Buyer's extension of electric service to the subject tract.

6. If Buyer abandons the municipal reverse osmosis well on the subject property, the well shall be plugged as required by and under the supervision of the Oklahoma Corporation Commission. In that event, Seller shall have the option to repurchase the above described tract at the appraised market value at that time.

7. Time is of the essence in connection with this Contract. In the event the aforesaid option is exercised and either party fails to perform any of the their obligations under this Contract, except for any of the reasons specified herein, the other party may pursue any remedy available to them in law or in equity. In the event a suit for specific performance is instituted to enforce any of the provisions of this Contract, the prevailing party shall have the right to recover all of such party's expenses and costs incurred by reason of such litigation, including but not limited to attorney fees, court costs and costs of suit preparation.

This Contract contains the entire agreement between the parties and supersedes any prior negotiations or agreements. All amendments hereto shall be in writing, signed by the parties.

The terms and provisions of this Contract shall apply to and inure to the benefit of and be binding upon the parties hereto and their respective successors in interest, legal representatives and assigns.

Buyer may assign its rights in this contract to an assignee who will assume the obligations of Buyer herein provided, however, such assignment shall not relieve Buyer of its

obligations hereunder. Buyer shall furnish Seller with an executed copy of any such assignment at least five days prior to closing.

Dated this _____ day of _____, 2016.

SELLER:

BUYER:

CLINTON PUBLIC WORKS
AUTHORITY

RODNEY A. SAWATZKY

By: _____

KAREN M. SAWATZKY

ADDRESS:

ADDRESS: 415 GARY BOULEVARD
CLINTON, OK 73601

STATE OF OKLAHOMA

:ss

COUNTY OF CUSTER,

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared Rodney A. Sawatzky and Karen M. Sawatzky to me known to be the identical person who executed the foregoing instrument, and acknowledged to me that he executed the same as his free and voluntary act and deed, for the uses and purposes therein set forth.

Witness my hand and seal this ____ day of _____, 2016.

Notary Public

(SEAL)

My Commission number: _____

My Commission expires: _____

STATE OF OKLAHOMA

:ss

COUNTY OF CUSTER,

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____, as Trustee of the Clinton Public Works Authority, to me known to be the identical person who executed the foregoing instrument, and acknowledged to me that he executed the same as his free and voluntary act and deed, for the uses and purposes therein set forth.

Witness my hand and seal this ____ day of _____, 2016.

Notary Public

(SEAL)

My Commission number: _____

My Commission expires: _____