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A G R E E M E N T

5-198 This agreement made and entered into by and between JOHN C. HORTON, ROBERT L. HORTON, JOAN B. HARDMAN, JOAN B. HARDMAN and JOHN C. HORTON, Trustees, ROBERT L. HORTON and JOHN C. HORTON, Trustees, LAWRENCE J. HORTON and ANNE S. HORTON, as tenants in Common, and LAWRENCE J. HORTON, hereinafter called Sellers, and MARIE R. SCHILDMEYER AND NELL MARIE HINSHAW, Trustees for the Schildmeyer Family Trust, as purchasers,

WITNESSETH:

That for and in consideration of the sums of money to be paid at the times and in the amounts as hereinafter specified, and for and in consideration of the full and faithful performance of each and all of the terms, conditions, and agreement herein contained, sellers do hereby agree to sell and purchasers do hereby agree to purchase all of the following described real property, to-wit:

TOWNSHIP 38 South, RANGE 11 $\frac{1}{2}$ EAST WILLAMETTE MERIDIAN

Parcel No.

IN SECTION 34:

1. E $\frac{1}{2}$ SW $\frac{1}{4}$
2. Beginning at southeast corner of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 34; thence west along the southerly line of said SE $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 34, 1320 feet; more or less, to the southwest corner of said 40 acre tract; thence northerly along the westerly line of said 40 acre tract 668 feet, more or less, to the southerly line of the property heretofore, conveyed to A. L. Michael by deed recorded in Volume 66 at page 552, Klamath County Records, thence southeasterly along the southerly line of said Michael property to the westerly line of the property conveyed to H. L. Arant by deed recorded in Volume 33 at Page 78, Klamath County Deed Records; thence southerly along the westerly line of said Arant property 570 feet, more or less, to the southwest corner thereof; thence easterly along the southerly line of said Arant property 960 feet, more or less, to the easterly line of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 34; thence south along the easterly line of said SE $\frac{1}{4}$ NW $\frac{1}{4}$ to the place of beginning.
3. Beginning at the southeast corner of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 34, thence north along the east line of W $\frac{1}{2}$ SW $\frac{1}{4}$ of said Section 34, a distance of 2640 feet, more or less, to the southeast corner of the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of said section 34; thence continuing north along the east line

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of the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 34, a distance of 630 feet, more or less, to the center line of a dry gulch or wash, so described in a deed recorded in Klamath County Deed Records in Volume 182 at page 255; thence North 75° west along said dry gulch, 53 feet, more or less, to a fence line; thence south 0°54' east along said fence line 3283 feet, more or less, to the point of beginning.

IN SECTION 35:

4. S $\frac{1}{2}$ SW $\frac{1}{4}$

Township 39 SOUTH, RANGE 11 $\frac{1}{2}$ EAST WILLAMETTE MERIDIAN

IN SECTION 2:

5. Lot 1 and the SE $\frac{1}{4}$ NE $\frac{1}{4}$
6. Lots 2, 3, 4, SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, and the S $\frac{1}{2}$

IN SECTION 3:

7. S $\frac{1}{2}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ of Lots 1 and 2

IN SECTION 4:

8. S $\frac{1}{2}$ SE $\frac{1}{4}$

IN SECTION 9:

9. N $\frac{1}{2}$ NE $\frac{1}{4}$

10. SE $\frac{1}{4}$

IN SECTION 10:

11. NW $\frac{1}{4}$ NW $\frac{1}{4}$

12. E $\frac{1}{2}$, E $\frac{1}{2}$ NW $\frac{1}{4}$ and SW $\frac{1}{4}$

IN SECTION 11:

13. N $\frac{1}{2}$, SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, and SE $\frac{1}{4}$ SE $\frac{1}{4}$

IN SECTION 12:

14. NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$

IN SECTION 14:

15. N $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$

IN SECTION 15:

16. NE $\frac{1}{4}$ NE $\frac{1}{4}$

together with all water rights appurtenant to said real property, and SUBJECT TO THE FOLLOWING RESERVATIONS AND EXCEPTIONS:

Reservations, including the terms and provisions thereof, in Deed from Horsefly Irrigation District to George Lewis, recorded May 13, 1938 in Book 115, Page 474, Deed Records of Klamath County, Oregon.

Reservations of coal, oil, gas and other minerals, including the terms and provisions thereof, in Deed from State Land Board of the State of Oregon, to L. J. Horton and Anne S. Horton, recorded March 17, 1948 in Deed Book 218, page 192, Records of Klamath County,

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Oregon.

Rights of the public in and to any portion of the above described property lying within the limits of roads or highways.

Assignment of 2/24ths oil and mineral royalty terms and provisions thereof, including the terms and provisions thereof, dated March 2, 1965, recorded March 5, 1965, in Mortgage Volume 229 at page 98, given to secure the payment of \$228,000.00 with interest thereon and such future advances as may be provided therein, executed by Lawrence J. Horton and Anne S. Horton, husband and wife to The Federal Land Bank of Spokane, a corporation.

Easement, including the terms and provisions thereof, recorded January 7, 1970, in Volume M-70 at page 103 in favor of Pacific Power and Light Co.

It is understood and agreed that the title to a portion of the real property is held pursuant to certain trust agreements as follows:

Trust agreement, including the terms and provisions thereof, recorded November 17, 1966 in Volume M-66 at page 11817 and recorded February 6, 1967 in Volume M-67 at page 484.

Trust agreement, including the terms and provisions thereof, recorded November 17, 1966, in Volume M-66 at page 11821 and recorded February 6, 1967 in Volume M-67 at page 486.

Trust agreement, including the terms and provisions thereof, recorded November 17, 1966 in Volume M-66 at page 11825 and recorded February 6, 1967 in Volume M-67 at page 844.

and said sellers warrant that these premises are sold in compliance with the terms and provisions of said trust agreements.

PURCHASE PRICE

The purchase price to be paid by the purchasers to sellers for the premises is the sum of \$474,000, of which sum \$25,000 has been paid as earnest money, receipt of which is hereby acknowledged and the balance of said purchase price shall be paid as follows: \$235,000 at the time of depositing the instruments in escrow as hereinafter specified, and the closing of this agreement. The remaining balance of the purchase price, in the amount of \$214,000 shall be paid in annual installments and in the following manner:

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On July 1, 1971 and on the 1st day of each July thereafter for each of the years of 1972 through 1990, in the sum of \$13,924.36, and upon July 1st, 1991, the full remaining unpaid balance of both principal and interest shall be due and payable. It is understood and agreed between the parties hereto that the deferred balance of principal in the amount of \$214,000 shall bear interest at the rate of 5% per annum, and each annual payment as herein specified, shall be applied first to accrued interest at the rate of 5% on the deferred balance of principal and then to principal, and that all interest shall be computed from May 10, 1971, that being the date that possession shall be delivered by sellers to purchasers.

It is understood and agreed that there is an outstanding mortgage owing to the Federal Land Bank in the principal amount of \$214,000 which shall remain a lien against the above described real property, together with other real property, owned by sellers not covered by this agreement, and that the purchase of this property is taken subject to such mortgage, but that the duty shall remain upon sellers to pay such mortgage and to that end it is understood and agreed that a deed to the herein described real property shall be placed in escrow in the First National Bank of Oregon, Klamath Falls Branch, together with appropriate escrow instructions and that all payments due or hereafter due under this contract shall be made to the First National Bank of Oregon, Klamath Falls Branch, and said escrow instructions to that bank shall direct the bank to pay out of all payments due under the terms of this contract and paid to the bank, the annual payments due the Federal Land Bank of Spokane on each July hereafter. It being understood and agreed that should any payment to said bank be insufficient to pay the annual payment or any other sum due the Federal Land Bank of Spokane, sellers will pay into the bank such difference and will not suffer or permit any default to occur upon said Federal Land Bank mortgage, provided always that should said Federal Land Bank

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mortgage be in default hereunder, said purchasers shall have the right to protect the above described real property from foreclosure or threatened foreclosure by advancing moneys to make any payment falling due under said mortgage.

It is understood and agreed that purchasers can at any time prepay any portion of said purchase price and in the event of such prepayment, said escrow holder shall be directed to apply such prepaid sums to the Federal Land Bank mortgage on said premises until the same shall be retired and thereafter such payments shall be distributed as said sellers shall direct.

PERSONAL PROPERTY

It is understood and agreed between the parties hereto that upon closing the escrow and the payment of the sum of \$235,000 sellers will make, execute and deliver to purchasers, a good and sufficient bill of sale to all of the personal property herein-after described, the same being free and clear of all liens and encumbrances, except as to taxes as hereinafter provided for:

1 McCormick Hay baler with engine drive
 2 Farmall Wheel tractors
 1 8 N Ford tractor
 4 sections Spike Tooth Harrow
 1 Ferguson side-delivery rake
 1 12-ft Spring Tooth Harrow
 1 10-ft International grain drill
 1 Box pump (not in use)
 1 GMC 2½ ton flat bed truck with hydraulic hoist
 1 Ford pickup - ½ ton, unlicensed
 2 Hay wagons with flat bed racks
 1 DePeugh ditcher
 1 Caterpillar road grader
 1 12-ft Dump Rake
 1 martin ditcher
 1 Ben Spray Rig
 1 10-ft Cultipacker
 1 Air Compressor in shop
 1 Jacobson Lawn Mower
 All feed bunks, water tanks, syphon tubes, all pumps and irrigation equipment, dePeugh ditcher and caterpillar road grader, irrigation dams.
 All furnishings belonging to the ranch and located in the cook house and bunk house shall remain such as heating equipment, refrigerators, stoves, beds and other furnishings.

TAXES AND INSURANCE

It is understood and agreed between the parties hereto that the taxes, both real and personal upon the herein described

real and personal property shall be pro-rated as of May 10, 1971 that being the date of possession. It is further understood that in all probability it will be impossible to ascertain the personal property taxes due prior to November of 1971, and when said personal property taxes are ascertained and determined, the parties hereto agree to make the necessary pro-ration as of May 10, 1971 and shall each contribute the portion of such taxes due therefrom so that the personal property taxes will be paid before delinquency.

It is understood and agreed between the parties hereto that there is certain insurance policy existing upon the structures located upon the premises and the parties agree to pro-rate the insurance premiums or to short-rate the insurance premiums and in the event they choose to short-rate the premiums, the purchasers agree to keep the insurable improvements upon the premises insured to their full insurable value, loss, if any, payable first the mortgagee, Federal Land Bank of Spokane, secondly, to sellers as their interest may appear for the residual insurable interest in said purchase.

LIENS AND ENCUMBRANCES

It is understood and agreed between the parties hereto that purchasers shall keep the premises free and clear of all liens and encumbrances of every kind and nature, excepting only the herein mentioned Federal Land Bank of Spokane mortgage, and will pay all taxes seasonably and before delinquency and shall pay all insurance premiums in such manner as to keep the insurance in full force and effect and will not suffer or permit any strip or waste to be committed upon the premises.

FARM USE

It is understood and agreed between the parties hereto that the real property herein described has been placed under farm use assessment pursuant to the laws of the State of Oregon, and that purchasers shall keep the premises under such farm use for special assessment purposes and will use the premises for such

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special farm use and should, for any reason whatsoever, purchasers remove the premises from such farm use assessment, any accrued taxes incurred by reason of the removal from this farm use shall be paid forthwith by purchasers. It being the understanding of all parties to this agreement that the real property will continue in such farm use for an indefinite period of time.

TITLE INSURANCE

Sellers shall furnish purchasers with a purchaser's policy of title insurance on the real property upon closing in the sum of \$ 462,000⁰⁰, showing the same to be free of all liens and encumbrances except as herein shown and the usual exceptions shown in title insurance policies.

ESCROW

It is understood and agreed between the parties hereto that upon payment of the purchase price at the time of closing this agreement, there shall be delivered a good and sufficient bill of sale as aforesaid, and there shall be made, executed, and delivered into escrow at the First National Bank of Oregon, Klamath Falls Branch, a good and sufficient deed to the premises, subject only to the exceptions and reservations herein set forth, together with appropriate escrow instructions to the bank which shall include one copy of this agreement. The escrow instructions shall provide for the payment of the purchase price as aforesaid to the bank by the purchasers and the escrow instructions shall further direct the Bank to pay to the Federal Land Bank of Spokane the annual payments due upon the mortgage upon these premises, such annual payment being in the sum of \$13,924.36 and in the event any payment made under this contract which is insufficient to make such payment but still in accordance with the terms of this contract, that sellers shall forthwith be notified by the Bank and shall advance sufficient funds with which to make such annual payment and keep the mortgage from being in default. The escrow instructions shall be in the usual form provided by the Bank and shall be executed by the parties to

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this agreement.

DATE OF POSSESSION

It is understood and agreed between the parties hereto that the sellers have certain livestock upon the real property herein described and they shall keep and maintain possession of the portions of said real property necessary to said livestock operation to and until May 10, 1971, at which time delivery thereof shall be made. However, it is further understood and agreed that there are certain portions of the premises that is farming land and purchasers or their agents shall have the right to go upon said farm lands and do the necessary work thereon, keeping the premises free and clear from any liens and encumbrances which may accrue by reason of any work or labor performed thereon.

CONDITION OF PREMISES AND PERSONAL PROPERTY

It is understood and agreed between the parties hereto that the purchasers have designated Fred Schildmeyer as their agent for the purpose of inspecting these premises and said Fred Schildmeyer is an experienced livestock man and farmer; that said Fred Schildmeyer has inspected the personal property in detail and has gone upon the premises and examined the same carefully and has relied wholly and solely upon his own judgment as to the condition of said personal property and real property and has not received or depended upon any representation as to the condition or quality of machinery and other personal property, the condition, quality, livestock carrying capacity, farming potential or any other thing in connection with said real property, nor has there been any representation made to him by the sellers or by their real estate agent Al Schmeck, upon which he has relied in connection with this purchase and that such purchase of real and personal property is made wholly and solely upon the examination of Fred Schildmeyer as the agent for purchasers and purchasers agree not to at any time hereafter make any claim against sellers or their real estate agent as to any misrepresentation in relation to the real and personal property herein described.

BLM LEASES

It is understood and agreed that sellers have heretofore leased certain lands from the Bureau of Land Management under Section 15 of the Taylor Grazing Act and the sellers agree to recommend to the Bureau of Land Management to lease those lands formerly leased to sellers on the north slope of Horton Mt., also known as and called Windy Ridge, to the purchasers; that the purchasers understand that these Section 15 leases cannot be assigned and that purchasers must make the application for the leasehold interest in said premises.

As to any other leased lands capable of being assigned by sellers to purchasers, sellers agree to make assignments of such leases, or in the alternative to use their best effort to obtain such leases from the present lessors to purchasers.

It is understood and agreed that sellers shall seek the approval of the Bureau of Land Management and when such approval is obtained, shall at their expense, build and construct a fence sufficient to satisfy the Bureau of Land Management, generally down the top of the main ridge dividing Poe Valley and Dairy Valley, both located in Townships 38 and 39 South, Range 114 East W. M. and that the sellers will, at their own expense, survey, if necessary, such fence line, such line fence being generally agreed to be the line between the operation of livestock herein being sold by sellers to the purchasers and the livestock operation being retained by sellers.

WAIVER AND DEFAULT

It is understood and agreed between the parties hereto that time, specific performance and the prompt payment of all sums of money due hereunder are, and each of them is, the essence of this agreement. Waiver of any default hereunder shall not be construed to be a waiver or evidence of an intention to waive any other default hereunder.

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In the event that purchasers shall be in default in payment of any of the sums of money due hereunder or in any other thing or particular herein provided to be kept by purchasers and such default shall continue for a period of 30 days, then sellers may, at their option, pursue any of the following remedies:

(1) Declare all remaining balances due upon this contract immediately due and payable and upon payment thereof purchasers shall be entitled to receive the documents in escrow hereinbefore described.

(2) Bring any necessary suit, action, or proceedings to collect any delinquent installments or to enforce payment of any taxes or insurance premiums.

(3) Retake and repossess themselves of the real property as of their former state as fully, completely and absolutely as if this agreement had never been entered into and upon demand purchasers agree to surrender said premises unto sellers.

ATTORNEYS' FEES

In the event it is necessary for either of the parties hereto to bring any suit, action, or proceedings upon this agreement, or in relation thereto, then the prevailing party in such suit, action, or proceedings shall be entitled to recover, in addition to all other sums allowed by law, such sums as the court may adjudge reasonable as attorneys' fees in such suit, action, or proceedings, both in the lower court and on appeal.

ASSIGNMENT

This agreement or any interest therein shall not be sold, assigned, transferred or hypothecated by purchasers without first obtaining the written consent of the sellers, and sellers agree that they shall not unreasonably withhold such consent.

TRUST AGREEMENTS

It is understood and agreed between the parties hereto that each of the parties are making this agreement pursuant to certain undisclosed trust relationships by the parties and it is agreed and understood between the parties that this agreement is made pursuant to and not in contravention of said trust agreements.

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Each of the parties represent to the other that as trustees they have the sole power and authority to make and enter into this agreement and that they and each of them will save and hold harmless all other parties to this agreement from any liability which might arise out of, or in connection with, such trust relationships or the violation thereof and recognize that none of the parties hereto have any duty or obligation to ascertain the power, authority, duty or obligations of any one of the trustees herein referred to.

This agreement shall be binding upon and insure to the benefit of the parties hereto, their heirs, executors, successors, assigns, successor trustees and beneficiaries.

IN WITNESS WHEREOF the parties have hereunto set their hands and seals in quadruplicate this 24 day of February, 1971.

SELLERS:

John C. Horton
John C. Horton
Robert L. Horton
Robert L. Horton

Joan B. Hardman
Joan B. Hardman
Joan B. Hardman
Joan B. Hardman, Trustee

John C. Horton
John C. Horton, Trustee
Robert L. Horton
Robert L. Horton, Trustee

John C. Horton
John C. Horton, Trustee
Lawrence J. Horton
Lawrence J. Horton

Anne S. Horton
Anne S. Horton
Lawrence J. Horton
Lawrence J. Horton, individually

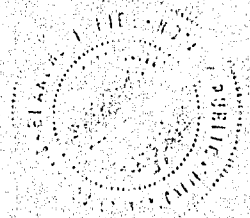
PURCHASERS:

Signed this 2nd day of March, 1971

Marie R. Schildmeyer
Marie R. Schildmeyer, Trustee
for Schildmeyer Family Trust

Nellie Marie Hinshaw
Nellie Marie Hinshaw, Trustee
for Schildmeyer Family Trust

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Cowdery's Form No. 32—Acknowledgment—General
(C. C. Sec. 1189) (Printed 1-30-66) 61-0-19

STATE OF CALIFORNIA, } ss.
County of Siskiyou
On this 24th day of February, in the year one thousand nine
hundred and ~~seventy-one~~ before me, Blanche I. Fies
a Notary Public, State of California, duly commissioned and sworn, personally appeared
Joan B. Hardman
known to me to be the person whose name is subscribed to the within instrument
and acknowledged to me that she executed the same.
IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal
in the County of Siskiyou the day and year in this
certificate first above written.

Blanche I. Fies
Notary Public, State of California.
My Commission Expires July 13, 1971

STATE OF CALIFORNIA, County of Orange } ss.
ON March 2, 1971, before me, the undersigned a
Notary Public in and for the State of California with principal office in the
County of Orange, personally appeared
Marie R. Schildmeyer and Nellie Marie Hinshaw
known to me to be the persons whose names
subscribed to the within Instrument, and acknowledged to me that they
executed the same. WITNESS my hand and official seal.

SIGNATURE OF NOTARY: Marion Macdonald
NOTARY PUBLIC - CALIFORNIA
PRINCIPAL OFFICE IN
ORANGE COUNTY
My Commission Expires April 6, 1971

NOTARY'S NAME AND COMMISSION
EXPIRATION DATE PRINTED

STATE OF OREGON,
County of Klamath
Filed for record at request of

Transamerica Title Ins. Co.
on this 11th day of March A.D. 19 71
at 11:33 o'clock A M, and duly
recorded in Vol. M71 of Deeds
pgs 2086

Wm D. MILNE, County Clerk
By Deputy Deputy
Fees \$19.00

Return to:
Al Schneck
114 N. 7th
city

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