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38-11110

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CONTRACT

THIS CONTRACT, made this 8th day of June, 1976, between WINIFRED L. EMMICH, 1931 El Arbolita Drive, Glendale, California, 91208, hereinafter called the Seller and ANZA, Inc., an Oregon Corporation, 1826 Oregon Avenue, Klamath Falls, Oregon, 97601, hereinafter called the Purchaser, singular also to mean the plural.

WITNESSETH:

That in consideration of the mutual covenants and agreements herein contained, the Seller agrees to sell unto the Purchaser and the Purchaser agrees to purchase from the Seller all of the following described lands and premises situated in Klamath County, State of Oregon, to-wit: 110 acres more or less

As described in Title Report hereto and as shown on maps marked in said report attached hereto and made a part hereof.

SUBJECT TO: Exceptions listed in the Transamerica Title Insurance Co. Preliminary Report No. 38-11110 dated July 8, 1976, a copy of which is attached hereto and made a part of this Contract and marked Exhibit A.

SUBJECT TO: County and State Sanitation Laws

That in consideration of this sale by Seller to Purchaser, Purchaser agrees to pay for the foregoing described property the sum of THIRTY-EIGHT THOUSAND and NO/100ths DOLLARS ($38,000.00), no initial payment is hereby acknowledged by Seller and the balance in the amount of THIRTY-EIGHT THOUSAND and NO/100ths DOLLARS ($38,000.00) shall be paid by Purchaser to Seller as follows:

Payment of not less than $481.37 each month including interest on the deferred balance at the rate of NINE PER CENT (9%) per annum. Interest shall begin and accrue as of June 8th, 1976. The first monthly payment shall be made on or before the 15th of July, 1976, and like payments shall be made on or before the 15th day of each and every month thereafter. The entire amount due and payable July 15th, 1986.

All payments required herein shall be made to the Western Bank, Klamath Falls Branch, 421 So. 7th St., Box 1149, Klamath Falls, Oregon, or such other escrow as the parties may agree. Payments shall be applied first to accrued interest and then to principal. Purchaser shall have the right to pay additional payments on this Contract at any time, and in addition to the foregoing payments, may pay any or all sums due and owing on this Contract, together with accrued interest at the time of pay-off, at any time without notice and without penalty.

2. Deed and Title Insurance: Upon execution of this agreement, the parties shall place in escrow the original of this Contract.

Seller shall deliver to Purchaser at Seller's expense Title Insurance Policy subject to exceptions as set forth hereinabove, the general Title Insurance Policy exceptions, this Contract and the buildings and other restrictions and easements now of record, if any.

Seller shall place in escrow a Deed which shall convey the above described real property, in fee simple, unto Purchaser, free and clear of all encumbrances since this date placed, permitted or arising by, through or under the Seller, excepting taxes, municipal liens, water, rents, and public charges which Purchaser herewith assumes and further excepting all liens and encumbrances which are created or which hereafter may be created by Purchaser, Purchaser's heirs, successors and assigns. Said Warranty Deed shall be delivered by the escrow agent to Purchaser upon full payment of the purchase price, including interest, as hereinabove required and provided.

3. Taxes, Adjustment and Possession: Seller shall pay the 1st quarter 1976-77 taxes and Purchaser shall hereafter pay all taxes and maintain, at their own expense, insurance coverage on the buildings now on the property or erected thereon in the future.

All tax statements regarding any matter subject to this Contract shall be hereafter sent to Purchaser.

Purchaser shall take possession of the above property on May 15th, 1976 and shall retain the same for so long as he performs the covenants and agreements herein contained and are not in default under the terms of this agreement.

4. Purchaser's clause: Purchaser is entering this agreement upon the basis of Purchaser's own examination, knowledge and opinion as to the value and condition of the property subject hereof. Purchaser acknowledges that Seller has made no agreement or promise to alter, repair or improve the property or any part thereof. Purchaser further agrees to take the property as it is, subject to latent or patent defects now present or arising in the future or arising by reason of existing or future conditions.

Purchaser herewith states that Purchaser is acquiring the property for the purpose of using the same as it has been used by the Seller herein, in the past, however, Purchaser has the right to change its use.

Purchaser shall not permit any liens to be filed against the property for repairs, improvements, materials and labor and shall pay promptly when the same becomes due all indebtedness incurred by these acts, which might create a lien against the property; purchaser shall take good care of the premises and any improvements thereon and not permit or commit any strip or waste thereon and shall keep the property in as good repair as the same is now and during the life of this Contract.

Purchaser agrees to pay all Federal, State, County, City or Municipal liens, taxes and assessments and other charges or encumbrances of every nature hereinafter imposed against or upon the property or creating a lien against the property of any nature whensoever levied, assessed, charged or accrued after date hereof; Purchaser agrees to abide by and follow all City, County, State and Federal laws applicable thereto; Purchaser agrees to pay promptly before the same become delinquent all taxes, assessments, or other charges on or levied against the property while this agreement remains in force and effect.

It is specifically agreed by and between the parties that time and payments and performance of the sums and the terms of this Agreement is of the essence, and in the event that Purchaser shall fail to make the payments as required of them herein, or any of them, punctually, within the time limited therefore, or should they fail to keep any agreements on their part required and contained herein, then the Seller, at his option, shall have the right to declare the whole unpaid principal balance of the said purchase price, together with accrued interest thereon at once due, payable and collectible, to declare this Contract null and void, and/or to foreclose this Contract by suit in equity; and in any such case, all rights and interests created or then existing in favor of Purchaser herein shall utterly cease and determine, rights of possession and all other rights of Purchaser hereunder shall revert to and revest in said Seller without any act or re-entry or any other act on the part of the Seller and without any right of Purchaser to return, reclamation or compensation for monies paid on account of said purchase price as absolutely, fully and perfectly as if this Contract and such payments had never been made; and in such case, all payments hereto fore made on this Contract are to be retained by and belong to Seller as the agreed and reasonable rent of the premises to time of such default. And the Seller, in case of default, by Purchaser shall have the right to immediate possession and the right at any time to enter upon the said real property, as aforesaid, without any process of law and take immediate possession thereof, together with all the property subject of this Contract.