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THIS AGREEMENT, made and entered into this 25th day of August, 1976, by and between L. H. STRID, also known as Louis H. Strid, and ALMA M. STRID, husband and wife, herein called the Vendors, and EDDIE KENT WELLS and MARGARET HELEN WELLS, husband and wife, herein called the Vendees,

W I T N E S S E T H:

ARTICLE ONE

The Vendors agree to sell to the Vendees and the Vendees agree to purchase from the Vendors all of the following-described property situate in Klamath County, Oregon, to-wit:

Lots 4, 5, 6, 7 and 8 of Block 10

All of Lots 1, 2 and 3 in Block 11 and that portion of Lots 4, 5 and 6 in said Block 11, more particularly described as follows:
Beginning on the East side of Hillside Avenue at a point 36 feet South of the Northwest corner of Lot 6 in Block 11; running thence South along the East side of said Hillside Avenue a distance of 37 feet; thence East and parallel with the North line of said Lot 6 to the Northwesterly line of Fort Klamath Road; thence Northeasterly along said line of Fort Klamath Road to a point where said line intersects with a line drawn East from said point of beginning and parallel with the North line of said Lot 6; thence West to the point of beginning, being a tract of land fronting 37 feet on said Hillside Avenue and extending across Lots 6, 5 and 4 of said Block 11 to Fort Klamath Road, situate in Southwest quarter of Southeast quarter of Section 28, Township 38 South, Range 9 East of the Willamette Meridian, together with an easement for a driveway across the Southerly and Easterly side of said Lot 4, Block 11 conveniently wide for a drive from the alley in the rear of said Lot 4.

Lots 1, 2, 4, 6, 7, 8, 9, 10 and 11, Block 12, EXCEPT portion deeded to State of Oregon by deeds recorded in Book 169 at page 194 and in Book 169 at page 458.

ALL IN DIXON ADDITION TO THE CITY OF KLAMATH FALLS, Klamath County, Oregon, according to the official plat thereof.

SUBJECT TO: Taxes for tax year commencing July 1, 1976, which are now a lien but not yet payable; Zoning ordinances, building and use restrictions and easements of record if any there may be. Lots 7 and 8 in Block 10 will be subject to proceedings to pave Hughes Street, which said public improvement lien and assessment has not yet gone of record, and the Vendees assume and agree to pay said Hughes Street Paving Lien but may elect to "Bancroft" the same and to pay said assessment over a period of 10 years as provided by City Ordinance establishing said assessment. Vendees are not entitled to any credit on the purchase price for assuming said lien and assessment. Portions of said real property are subject to Mortgages, Trust Deeds, Assignments of Rentals and Land Sale Contracts which the Vendees take subject to but do not assume, and which Vendors assume and agree to pay and to perform and to hold the Vendees harmless from, to-wit:

1. Mortgage, including the terms and provisions thereof, to Equitable Savings and Loan Association, recorded May 3, 1971, in Book M-71 at page 3900, (affects Lots 4, 5, 7, Block 12)

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2. Trust Deed, including the terms and provisions thereof, to Equitable Savings & Loan Association, recorded January 3, 1973, in Book M-73 at page 82, (affects Lots 1 and 2, Block 12)

3. Assignment of Rentals, given as additional security to the Trust Deed shown above, recorded January 10, 1973, in Book M-73 at page 314

4. Trust Deed, including the terms and provisions thereof, to First Federal Savings and Loan Association of Klamath Falls, Oregon, recorded October 4, 1972, in Book M-72 at page 11341, (affects portion Lots 4, 5 and 6, Block 11)

5. Mortgage, including the terms and provisions thereof, to Arthur W. Jolly and Beatrice D. Jolly, recorded February 13, 1968, in Book M-68 at page 1081, (affects Lots 4, 5 and 6, Block 10)

6. Mortgage, including the terms and provisions thereof, to The Bank of Klamath Falls, recorded December 14, 1965, in Book M-65 at page 4630, (affects Lots 10 and 11, Block 12)

7. Mortgage, including the terms and provisions thereof, to The Bank of Klamath Falls, recorded September 30, 1965, in Book M-65 at page 2190, (affects Lots 8 and 9, Block 12)

8. Agreement of Sale, dated July 29, 1963, with Deed in Escrow at First Federal Savings & Loan Association of Klamath Falls, Oregon, whereby Allen R. Welp and Bernice E. Welp, husband and wife, agreed to sell and James F. Hargrove and Bonnie L. Hargrove, husband and wife, agreed to purchase Lots 1, 2 and 3 in Block 11 - the Vendees' interest in said contract having been heretofore duly assigned to Louis H. Strid and Alma Strid by instrument recorded December 20, 1965, in Vol. M65 at page 4795 of Klamath County, Oregon, Deed Records,

at and for a total purchase price of $150,000.00, payable as follows: $10,000.00 has heretofore been paid, receipt of which is hereby acknowledged. The balance of $140,000.00 is to be paid with interest thereon at the rate of 8% per annum from September 1, 1976 on the deferred balances, in installments of not less than $1,000.00 per month, including the full amount of interest accrued thereon at each payment date. The first of said installments of principal and interest shall be paid on the 1st day of October, 1976, and a further installment shall be paid on the 1st day of each month thereafter until said principal and interest have been paid in full. Any part or all of this Agreement may be prepaid at any time without penalty. However, the Vendees shall continue to pay said full $1,000.00 installment each month until this Agreement has been paid in full. The Vendees agree to make said payments promptly on the dates above specified to the order of the Vendors, or the survivor of them, at the First Federal Savings & Loan Association of Klamath Falls, herein called Escrow Holder. Said Escrow Holder shall be instructed out of each monthly payment to first pay, after deducting its fees and charges, all of the payments currently coming due on each

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of the above-described Mortgages, Trust Deeds and Agreement of Sale and to remit only the balance then remaining to the Vendors. All prepayments of principal made by Vendees shall be divided by the Escrow Holder and paid in equal shares to the owners and holders of said encumbrances as prepayments upon their said obligations. The Vendors shall not be deemed to be in default on their agreement to pay said prior encumbrances during any period of time that the Vendees are in default on any payments due on this Agreement. However, Vendors agree that they will have fully paid and performed all of said Mortgages, Trust Deeds and Agreement of Sale by or at the time Vendees have fully paid and performed this Agreement, and the Deeds of Conveyance hereafter provided shall convey said property free and clear of the same. If the Vendors shall fail, neglect or refuse to make any of the payments on said prior encumbrances in the manner herein provided and before the same shall become delinquent the Vendees may, at their option, pay any part or all of the same and shall be credited with the amount of same on the next installment becoming due hereunder.

ARTICLE TWO

2.1

Vendors will on execution of this Agreement execute and deliver to Vendees a good and sufficient deed conveying a fee simple title to the following-described real property, to-wit:

Lots 7 and 8 in Block 10 of Dixon Addition to the City of Klamath Falls, Klamath County, Oregon, according to the official plat thereof.

Subject to: Taxes for the tax year commencing July 1, 1976, which are now a lien but not yet payable; and to Zoning ordinances, building and use restrictions and easements of record, if any there may be, and also to said Hughes Street Paving Lien which Vendees assume and agree to pay,

thereby conveying full title to said premises to Vendees released from the lien of this Agreement. However, it is understood and agreed that Vendors in order to enable Vendees to drill and install a hot water well on said premises executed a note, dated July 20, 1976, to First Federal Savings & Loan Association of Klamath Falls, in total sum of $3,546.00, and Vendees assume and agree to pay said note and to hold the Vendors harmless therefrom. Neither the value of said well nor said note have been considered in establishing the sales price and terms of sale of this Agreement, said improvements having been made by Vendees and said note being an accommodation borrowing by Vendors for the benefit of said Vendees.

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2.2

Vendors further agree on execution of this Agreement to make and execute a good and sufficient warranty deed conveying a fee simple title to all of the remaining real property herein described to Vendees, free and clear as of the date of this Agreement of all encumbrances whatsoever, except for taxes for the tax year commencing July 1, 1976, which are now a lien but not yet payable and to Zoning ordinances, building and use restrictions and easements of record, if any there may be, which Vendees assume, and will place said Deed, together with one of these Agreements and a Purchasers' Policy of Title Insurance in escrow at the First Federal Savings & Loan Association at Klamath Falls, Oregon, and Vendors and Vendees shall enter into written Escrow Instructions in form satisfactory to said Escrow Holder that when and if Vendees shall have paid the balance of the purchase price and interest in accordance with the terms of and conditions of this Contract, the Escrow Holder shall deliver said instruments to Vendees but that in case of default by Vendees, the Escrow Holder shall on demand surrender said instruments to Vendors.

ARTICLE THREE

Vendees, their Heirs, Devisees, Grantees and Assigns, in consideration of this sale, jointly and severally covenant to and with the Vendors, their Heirs, Devisees, Personal Representatives and assigns as follows:

3.1

Time and the full and prompt payment, performance and observance of the terms and conditions of this Contract, are of the essence of this Agreement, and the Vendees shall be in default if:

(a) Vendees fail to pay in full any installment or other payment herein specified by the date specified or within such further time as may be specified in the Escrow Instructions.

(b) Vendees shall fail to observe or perform any other provision of this Contract within 30 days after receipt of written notice specifying the breach or failure to observe or perform a term or condition of this Contract.

3.2

Vendees shall keep said premises in as good condition as the same now are and that no improvement now on or which may hereafter be placed on said property shall be removed or destroyed before the entire purchase price has been paid.

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Nor shall any substantial changes or alterations be made without the prior written consent of Vendors.

3.3

Vendees shall not cut or remove any trees on said premises without the prior written consent of the Vendors. Vendees shall maintain and care for the lawns, shrubs, bushes and other landscaping on the premises and shall water, cut, prune and spray the same at the proper times and seasons and shall not suffer or permit any waste.

3.4

Vendees shall promptly comply with all laws, ordinances, rules and regulations of all governmental authorities applicable to the use or occupancy of the property, or any part thereof, but Vendees shall not petition or join in any petition for any public improvement, the lien of which would be superior to the lien of this Contract, without the prior written consent of Vendors.

3.5

Vendees shall keep all improvements now existing or which shall hereafter be placed on the premises insured against fire and other casualties covered by a standard policy of fire insurance with extended coverage endorsements. The policy or policies shall be written to the full replacement value with loss payable to the Vendors and Vendees as their respective interests may appear, and Certificates evidencing the policies shall be delivered to Vendors and shall contain a stipulation that coverage will not be cancelled or diminished without a minimum of 10 days' written notice to the Vendors. Vendors may make such proof of loss if Vendees fail to do so within 15 days of the casualty.

3.6

Vendees shall indemnify, defend and hold Vendors harmless from any claim, loss or liability arising out of or related to any activity of Vendees or anyone holding or occupying any part of said premises under or through Vendees or any condition of said premises or any part thereof.

3.7

The Vendees have inspected and are familiar with the condition of said premises and each part of the same and accept the land, buildings, improvements and

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all other aspects of said premises in their present condition, AS IS, including latent defects, without any representations or warranties express or implied.

The Vendors represent that a portion of said premises are zoned R5 and that a portion of said premises are zoned R5A, but except for said representation Vendees agree that they have ascertained from sources other than the Vendors the effect of said Zoning ordinances and all building, housing and other regulatory laws, ordinances, rules and regulations as they affect said premises and each part thereof, and the present use or any intended future use of the premises, and the Vendors have made no representations with respect thereto.

3.8

Vendees have been furnished with a copy of Transamerica Title Insurance Co. Preliminary Title Report, Order No. 38-11261, showing title as of August 3, 1976, and that said title, subject to Vendors' payment of existing Trust Deeds, Mortgages and Contract of Sale as herein provided, and the pro-rating and payment of real property taxes as hereinafter provided, is accepted by the Vendees.

3.9

Vendees shall not suffer or permit any part of said premises to become subject to any taxes, assessments, liens, charges or encumbrances whatsoever having precedence over the rights of the Vendors in and to said premises or any part thereof.

3.10

Vendees shall pay all taxes and assessments when the same shall first become payable and before the same shall become subject to interest charges. If any of said taxes are paid by Vendors or by any of the owners or holders of any Mortgages, Trust Deeds or Contracts not assumed by Vendees, Vendees shall immediately reimburse Vendors for any such payment on demand for same. If Vendees shall fail, refuse or neglect to pay or satisfy any taxes, assessments, liens, charges or encumbrances having precedence over the rights of Vendors in and to said premises or any part thereof, the Vendors, at their option, may pay any part or all of the same and such payment shall be secured by the lien of this Agreement and shall draw interest at 10% per annum until paid. If Vendees shall fail to promptly reimburse Vendors for any such payment on demand for same, Vendors may,

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at their option, at any time thereafter declare the entire principal balance and accrued interest remaining unpaid on this Agreement immediately due and payable and may exercise any of the remedies hereafter provided for a default by Vendees.

ARTICLE FOUR

Vendors, their Heirs, Devisees, Personal Representatives and Assigns, jointly and severally covenant to and with the Vendees and their Heirs, Devisees, Grantees and Assigns as follows:

4.1

That Vendors shall perform and observe all of the terms and conditions herein provided to be observed or performed by Vendors.

4.2

That Vendors will not suffer or permit any Judgment, tax lien or other lien or encumbrance against Vendors which would be superior to the Vendees' right, title, estate or interest in said premises and which would prevent Vendees from receiving an unencumbered fee simple title to said premises upon full payment and performance of this Agreement to remain in existence. Provided however, the Vendors may sell, hypothecate or give and assign and transfer this Agreement or any interest therein to a third party, but no such sale, hypothecation or gift or transfer or assignment shall have any effect on the rights of the Vendees hereunder so long as they shall continue to make the payments to the Escrow Holder and to otherwise observe and perform the terms and conditions of this Agreement.

ARTICLE FIVE

It is mutually covenanted by and between the Vendors and Vendees and their respective Heirs, Devisees, Grantees, Personal Representatives and Assigns as follows:

5.1

That Vendors have made this sale on the down payment and terms herein provided because of Vendors' confidence in Vendees' personal integrity and character and this Agreement is personal to Vendees. If Vendees shall sell or convey or enter into any agreement to sell or convey any of said real property, or any

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interest therein, or shall assign or agree to assign this Contract or any interest therein without the prior written consent of Assignors, the Assignors may, at their option, elect to declare the entire principal balance and accrued interest remaining unpaid on this Agreement immediately due and payable and may exercise any of the remedies hereafter provided for a default by Vendees.

5.2

In the event of a default, the Vendors, at their option, may exercise any one or more of the following remedies:

(a) To declare the full unpaid balance and accrued interest immediately due and payable.

(b) To specifically enforce the terms of this Agreement by a suit in equity.

(c) To foreclose this Agreement by a suit for strict foreclosure in equity.

(d) If the Vendees permit the premises or any part thereof to become vacant, the Vendors may take possession of the same for the purpose of protecting and preserving the property and their security interest therein, and in the event possession is so taken by Vendors they shall not be deemed to have waived their right to exercise any of the remedies herein provided.

(e) Vendors shall be entitled to the appointment of a Receiver as a matter of right whether or not the apparent value of the Property exceeds the amount of the balance due hereunder, and any Receiver appointed may serve without bond. Employment by Vendors shall not disqualify a person from serving as Receiver. Upon taking possession of all or any part of the Property the Receiver may:

(i) Use, operate, manage, control and conduct business on the Property and make expenditures for all maintenance and improvements as in the Receiver's judgment are proper;

(ii) Collect all rents, revenues, income, issues and profits from the Property and apply such sums to the expenses of use, operation and management;

(iii) At Vendors' option, complete any construction in progress on the Property, and in that connection pay bills, borrow funds, employ contractors and make any changes in plans or specifications as Vendors deem appropriate.

If the revenues produced by the Property are insufficient to pay expenses, the Receiver may borrow, from Vendors or otherwise, such sums as the Receiver deems necessary for the purposes stated in this paragraph, and repayment of such sums shall be secured by this Contract. The amounts borrowed or advanced shall bear interest at the same rate as the balance of the purchase price hereunder from the date of expenditure until repaid and shall be payable by Vendees on demand.

(f) In the event any legal proceeding is instituted to exercise any of said remedies or to enforce any of the terms or conditions of this Agreement, or for the breach of any of its provisions, the

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prevailing party therein shall be entitled to recover such sums as the Courts, including an Appellate Court in the event of an appeal or other proceeding therein, may adjudge reasonable as attorneys' fees in addition to the costs and disbursements provided by law.

(g) A failure by Vendors at any time to require observance or performance by Vendees of any provision of this Agreement shall in no way affect Vendors' rights hereunder to enforce the same, nor shall any such waiver by Vendors be held to be a waiver of any succeeding failure to observe or perform any such provision or as a waiver of the provision itself.

(h) The remedies provided herein are non-exclusive and in addition to any other remedies provided by law or equity.

ARTICLE SIX

6.1

This sale shall be closed in Escrow at Transamerica Title Insurance Co., 600 Main Street, Klamath Falls, Oregon.

6.2

In said closing:

(a) The Escrow Closer shall pay out of the proceeds and charge to the Vendors:

(i) All real property taxes which became a lien prior to July 1, 1976.

(ii) 2/12ths of the real property taxes which became a lien on July 1, 1976.

(b) The Escrow Closer shall charge to the Vendees and the Vendees shall pay to the Escrow Closer:

(i) The title insurance premium.

(ii) The cost of recording an executed copy of this Agreement in Klamath County Deed Records.

(iii) The Escrow Closer's fees and charges, and all other miscellaneous costs of closing said sale.

(iiii) The Escrow Fee of First Federal Savings & Loan Association.

(c) The Escrow Closer shall pro-rate rentals and insurance premiums as of September 1, 1976 between the Vendors and the Vendees.

(d) The Vendors and the Vendees shall each be responsible for payment of their own attorneys' fees, and the Escrow Closer shall not be responsible for the collection or payment of the same.

ARTICLE SEVEN

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7.1

It is mutually agreed that in lieu of personal delivery, any Party to this Agreement may give Notice under this Agreement to any other Party to this Agreement by depositing the same in a United States Post Office within the State of Oregon addressed to the Party to be notified at the address shown below, or at such later address as may be furnished by said Party to the other Party, in writing, Certified or Registered mail, return receipt requested, postage prepaid, and such Notice shall be conclusively deemed to have been delivered to the Party to whom addressed on the next day on which mail is delivered by the Postal Service after the date said Notice was so deposited in the Post Office.

At the present time, the address of each Party for the giving of such Notice is as follows:

Mr. and Mrs. L. H. Strid
625 Pacific Terrace
Klamath Falls, Oregon 97601

Mr. and Mrs. Eddie Kent Wells
124 Laguna Street
Klamath Falls, Oregon 97601

7.2

This Agreement shall bind and inure to the benefit of, as the circumstances may require, the Parties hereto and their respective Heirs, Devisees, Personal Representatives, Grantees and Assigns.

7.3

The true and actual consideration for this transfer is $150,000.00.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed the day and year first herein written.

L H Strid — Eddie Kent Wells

L. H. Strid — Eddie Kent Wells

Alma M. Strid — Margaret Helen Wells

Alma M. Strid — Margaret Helen Wells

VENDORS — VENDEES

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Attorneys at Law
540 Main Street
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STATE OF OREGON)
) SS
County of Klamath)

On this 3 day of ~~August~~ Sept, 1976, personally appeared the above-named L. H. Strid, also known as Louis H. Strid, and Alma M. Strid, husband and wife, and acknowledged the foregoing instrument to be their voluntary act and deed.

Before me:

Susan L Stockwell
Notary Public for Oregon

(SEAL)
My Commission Expires: 6-13-80

STATE OF OREGON)
) SS
County of Klamath)

On this 3 day of ~~August~~ Sept, 1976, personally appeared the above-named Eddie Kent Wells and Margaret Helen Wells, husband and wife, and acknowledged the foregoing instrument to be their voluntary act and deed.

Before me:

Susan L Stockwell
Notary Public for Oregon

(SEAL)
My Commission Expires: 6-13-80

Until a change is requested, all tax statements shall be sent to the following address:

Mr. and Mrs. Eddie Kent Wells
124 Laguna Street
Klamath Falls, Oregon 97601

When recorded, return to:
Transamerica Title - Susan

STATE OF OREGON; COUNTY OF KLAMATH; ss.
Filed for record at request of Trans America Title
this 8th day of September A. D. 1976 at 3:30 o'clock P.M., and
duly recorded in Vol. M-76 of Deeds on Page 14040
Wm D. MILNE, County Clerk
By Barbara Duff

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