

This Agreement, made and entered into this 18th day of August, 1977 by and between MERRITT N. VanSICKLE and OLIVIA M. VanSICKLE, husband and wife, hereinafter called the vendor, and

STH, INC., an inchoate Oregon corporation hereinafter called the vendee.

WITNESSETH

Vendor S agrees to sell to the vendee S and the vendee S agrees to buy from the vendor S all of the following described property situate in Klamath County, State of Oregon, to-wit:

lots 5 thru 10, inclusive, Block 1, ST. FRANCIS PARK, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon

at and for a price of \$ 60,000.00 , payable as follows, to-wit:

\$ 12,000.00 at the time of the execution of this agreement, the receipt of which is hereby acknowledged; \$ 48,000.00 with interest at the rate of 9 % per annum from August 1, 1977 payable in installments of not less than \$18,000.00 per annum, inclusive of interest, the first installment to be paid on the 15th day of December 1977, and a further installment on the 31st day of every January, 1978, in the amount of \$30,000.00 plus interest,

it is further agreed that the buyers may pre-pay an amount equal to one half the unpaid principal prior to January 1, 1978, thereafter pre-payment in any amount may be made.

Vendee agrees to make said payments promptly on the dates above named to the order of the vendor, or the survivors of them, at the First National Bank of Oregon, 3540 Pine Tree Drive, Klamath Falls, Oregon, at Klamath Falls, Oregon; to keep said property at all times in as good condition as the same now are, 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 and that said property will be kept insured in companies approved by vendor against loss or damage by fire in a sum not less than \$ with loss payable to the parties as their respective interests may appear, said policy or policies of insurance to be held that vendee shall pay regularly and seasonably and before the same shall become subject to interest charges, all taxes, assessments, liens and incumbrances of whatsoever nature and kind. Taxes to be prorated as of August 15, 1977.

and agrees not to suffer or permit any part of said property to become subject to any taxes, assessments, liens, charges or incumbrances whatsoever having precedence over rights of the vendor in and to said property. Vendee shall be entitled to the possession of said property as of August 15, 1977

Vendor will on the execution hereof make and execute in favor of vendee good and sufficient warranty deed conveying a fee simple title to said property free and clear as of this date of all incumbrances whatsoever, except reservations, restrictions, easements and rights of way of record and those apparent upon the land; rules, regulations, liens and assessments of water users and sanitation districts.

which vendee assumes, and will place said deed

together with one of these agreements in escrow at the First National Bank of Oregon,

at Klamath Falls, Oregon, and shall enter into written escrow instruction in form satisfactory to said escrow holder, instructing said escrow holder that when, and if, vendee shall have paid the balance of the purchase price in accordance with the terms and conditions of this contract, said escrow holder shall deliver said instruments to vendee, but that in case of default by vendee said escrow holder shall, on demand, surrender said instruments to vendor.

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Escrow fees shall be deducted from the first payment made hereunder. The escrow holder may deduct cost of necessary revenue stamps from final payments made hereunder.

In the event vendee shall fail to make the payments aforesaid, or any of them, punctually and upon the strict terms and at the times above specified, or fail to keep any of the other terms or conditions of this agreement, time of payment and strict performance being declared to be the essence of this agreement, then vendor shall have the following rights: (1) To foreclose this contract by strict foreclosure in equity; (2) to declare the full unpaid balance immediately due and payable; (3) To specifically enforce the terms of this agreement by suit in equity; (4) To declare this contract null and void, and in any of such cases, except exercise of the right to specifically enforce this agreement by suit in equity, all the right and interest hereby created or then existing in favor of vendee derived under this agreement shall utterly cease and determine, and the premises aforesaid shall revert and reversion in vendor without any declaration of forfeiture or act of reentry, and without any other act by vendor to be performed and without any right of vendee of reclamation or compensation for money paid or for improvements made, as absolutely, fully and perfectly as if this agreement had never been made.

Should vendee, while in default, permit the premises to become vacant, Vendor may take possession of same for the purpose of protecting and preserving the property and his security interest therein, and in the event possession is so taken by vendor he shall not be deemed to have waived his right to exercise any of the foregoing rights.

And in case suit or action is instituted to foreclose this contract or to enforce any of the provisions hereof, vendee agrees to pay reasonable cost of title report and title search and such sum as the trial court may adjudge reasonable as attorney's fees to be allowed plaintiff in said suit or action, and if an appeal is taken from any judgment or decree of such trial court, the vendee further promises to pay such sum as the appellate court shall adjudge reasonable as plaintiff's attorney's fees on such appeal.

Vendee further agrees that failure by vendor at any time to require performance by vendee of any provisions hereof shall in no way affect vendor's right hereunder to enforce the same, nor shall any waiver by vendor of such breach of any provision hereof be held to be a waiver of any succeeding breach of any such provision, or as a waiver of the provision itself.

In construing this contract, it is understood that vendor or the vendee may be more than one person; that if the context so requires the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine, and the neuter, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

This agreement shall bind and inure to the benefit of, as the circumstances may require, the parties hereto and their respective heirs, executors, administrators and assigns.

The buyers and sellers further agree to enter into Subordination Agreement for the purpose of allowing the buyers to obtain interim financing prior to January 31, 1978. Said Agreement to be concluded by September 1, 1977.

S. A. S. M. V. O. M. V.

Witness the hands of the parties the day and year first herein written.

2 Contract of Sale

VANDENBERG AND BRANDNESS
ATTORNEYS AT LAW
411 PINE STREET
KLAMATH FALLS, OREGON 97601
TELEPHONE 503/882-5501

Harriet J. Thompson
Christine M. Thompson

STH, INC., an inchoate Oregon Corp.

By: *Gerald A. Schatz*
Gerald A. Schatz, President

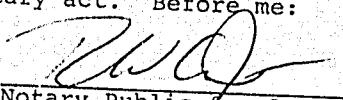
By: *Margaret J. Thompson*
Margaret J. Thompson, Sec'y.

2. CONTRACT OF SALE

STATE OF OREGON)
County of Klamath) ss. August 18, 1977

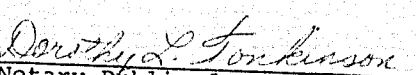
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Personally appeared the above-named MERRITT N. VansICKLE and OLIVIA M. VansICKLE, husband and wife, and acknowledged the foregoing instrument to be their voluntary act. Before me:


Notary Public for Oregon
My Commission expires: 5/26/78

STATE OF OREGON)
County of Jackson) ss. August 15, 1977

Personally appeared Gerald A. Schatz and Margaret J. Thompson who, being duly sworn, each for himself and not one for the other did say that the former is the president and that the latter is the secretary of STH, INC., an inchoate Oregon corporation, and that said instrument was signed in behalf of said corporation by authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed. Before me:


Dorothy L. Tonkinson
Notary Public for Oregon
My Commission expires: 7-5-81

Return to: STH, Inc.
3966 S. Pacific Hwy
Medford, Ore. 97501

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of MOUNTAIN TITLE CO.

this 10th day of AUGUST, A.D. 1977, at 9:11 o'clock AM, and

duly recorded in Vol. M77, of Mortgages, on Page 15218

FEE \$ 9.00

Wm D. MILNE, County Clerk

By Glenn D. Craig

3. CONTRACT OF SALE