FORM No. 704 CONTRACT—REAL ESTATE—Partial Payments. MTC# 16594022 STEVENS-NESS LAW PUBLISHING CO., PORTLAND, OR. 97204

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CONTRACT—REAL ESTATE

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THIS CONTRACT, Made this 26th day of August, 19 77, between Merle David Young and JoAnne Young, husband and wife, hereinafter called the seller, and Fort Coe Company, an Oregon corporation, hereinafter called the buyer,

WITNESSETH: That in consideration of the mutual covenants and agreements herein contained, the seller agrees to sell unto the buyer and the buyer agrees to purchase from the seller all of the following described lands and premises situated in Klamath County, State of Oregon, to-wit:

Lot 5 and 8 in Block 5, FIRST ADDITION TO PINE GROVE PONDEROSA, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Subject, however, to the following:

1. Taxes for the fiscal year 1977-1978, a lien but not yet due and payable.

2. Easement, including the terms and provisions thereof, given to Lloyd J. Goble, Administrator, to the Pacific Telephone and Telegraph Company, a California corporation, dated May 12, 1942, recorded August 1, 1942 in Volume 149, page 144, Deed Records of Klamath County, Oregon.

3. Acreage and use limitations under provisions of the United States Statutes and regulations issued thereunder. All contracts, water rights, proceedings, taxes and assessments relating to irrigation, drainage, and/or reclamation of said lands; and all rights of way for roads, ditches, canals and conduits, if any there may be.

4. Rights of the public in and to any portion of said premises lying

(for continuation of this document see reverse side of this contract)

for the sum of One Hundred Twenty Thousand and No/100ths Dollars ($ 120,000.00) (hereinafter called the purchase price) on account of which Ten Thousand and No/100ths Dollars ($ 10,000.00) is paid on the execution hereof (the receipt of which is hereby acknowledged by the seller), and the sum of $20,806.25 has been receipted for by the Sellers of Buyers' equity in the real property described as Lot 8, Block 11, FIFTH ADDITION TO SUNSET VILLAGE, and the remainder to be paid to the order of the Sellers at the times and in amounts as follows, to-wit: $89,193.75 with interest at the rate of 9% per annum from August 26, 1977 is payable in installments of not less than $690.00 per month, the first installment to be paid on the 1st day of October, 1977, and a further installment on the 1st day of each month thereafter until the full balance and interest are paid in full. Buyers specifically agree to pay the full contract balance on or before August 26, 1978.

It is further agreed by and between the parties hereto that Buyers have the option to assume Sellers' existing mortgage when Sellers' equity is paid.

The buyer warrants to and covenants with the seller that the real property described in this contract is

~~(A) primarily for buyer's personal, family, household or agricultural purposes,~~

~~(B) for an organization or (even if buyer is a natural person) is for business or commercial purposes other than agricultural purposes.~~

All of said purchase price may be paid at any time; all deferred balances of said purchase price shall bear interest at the rate of 9% per cent per annum from August 26, 1977 until paid, interest to be paid monthly and * being included in the minimum regular payments above required. Taxes on said premises for the current tax year shall be prorated between the parties hereto as of the date of this contract.

The buyer shall be entitled to possession of said lands on 19 77, and may retain such possession so long as he is not in default under the terms of this contract. The buyer agrees that at all times he will keep the buildings on said premises, now or hereafter erected, in good condition and repair and will not suffer or permit any waste or strip thereof; that he will keep said premises free from mechanic's and all other liens and save the seller harmless thereform and reimburse seller for all costs and attorney's fees incurred by him in defending against any such liens; that he will pay all taxes hereafter levied against said property, as well as all water rents, public charges and municipal liens which hereafter lawfully may be imposed upon said premises, all promptly before the same or any part thereof become past due; that at buyer's expense, he will insure and keep insured all buildings now or hereafter erected on said premises against loss or damage by fire (with extended coverage) in an amount full insurable value not less than $ in a company or companies satisfactory to the seller, with loss payable first to the seller and then to the buyer as their respective interests may appear and all policies of insurance to be delivered to the seller as soon as insured. Now if the buyer shall fail to pay any such liens, costs, water rents, taxes, or charges or to procure and pay for such insurance, the seller may do so and any payment so made shall be added to and become a part of the debt secured by this contract and shall bear interest at the rate aforesaid, without waiver, however, of any right arising to the seller for buyer's breach of contract.

The seller agrees that at his expense and within 30 days from the date hereof, he will furnish unto buyer a title insurance policy insuring (in an amount equal to said purchase price) marketable title in and to said premises in the seller on or subsequent to the date of this agreement, save and except the usual printed exceptions and the building and other restrictions and easements now of record, if any. Seller also agrees that when said purchase price is fully paid and upon request and upon surrender of this agreement, he will deliver a good and sufficient deed conveying said premises in fee simple unto the buyer, his heirs and assigns, free and clear of encumbrances as of the date hereof and free and clear of all encumbrances since said date placed, permitted or arising by, through or under seller, excepting, however, the said easements and restrictions and the taxes, municipal liens, water rents and public charges so assumed by the buyer and further excepting all liens and encumbrances created by the buyer or his assigns.

(Continued on reverse)

*IMPORTANT NOTICE: Delete, by lining out, whichever phrase and whichever warranty (A) or (B) is not applicable. If warranty (A) is applicable and if the seller is a creditor, as such word is defined in the Truth-in-Lending Act and Regulation Z, the seller MUST comply with the Act and Regulation by making required disclosures; for this purpose, use Stevens-Ness Form No. 1308 or similar unless the contract will become a first lien to finance the purchase of a dwelling in which event use Stevens-Ness Form No. 1307 or similar.

SELLER'S NAME AND ADDRESS

BUYER'S NAME AND ADDRESS

After recording return to:

MTC - So. 6th St. Office
Attn: Marlene

NAME, ADDRESS, ZIP

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

Fort Coe Company
c/o 431 Main St.
City, 9760

NAME, ADDRESS, ZIP

SPACE RESERVED FOR RECORDER'S USE

STATE OF OREGON, } ss.
County of .....

I certify that the within instrument was received for record on the .....day of....., 19....., at.....o'clock.....M., and recorded in book.....on page.....or as file/reel number....., Record of Deeds of said county.

Witness my hand and seal of County affixed.

Recording Officer

By .....Deputy

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And it is understood and agreed between said parties that time is of the essence of this contract, and in case the buyer shall fail to make the payments above required, or any of them, punctually within ten days of the time limited therefor, or fail to keep any agreement herein contained, then the seller at his option shall have the following right(s) (1) to declare this contract null and void, (2) to declare the whole unpaid principal balance of said purchase price, with the interest thereon at once due and payable and/or (3) to foreclose this contract by suit in equity, and in any of such cases, all rights and interest created or then existing in favor of the buyer as against the seller hereunder shall utterly cease and determine and the right to the possession of the premises above described and all other rights acquired by the buyer hereunder shall revert to and revest in said seller without any act of re-entry, or any other act of said seller to be performed and without any right of the buyer of return, reclamation or compensation for moneys paid on account of the purchase of said property, as absolutely, fully and perfectly as if this contract and such payments had never been made; and in case of such default all payments theretofore made on this contract are to be retained by and belong to said seller as the agreed and reasonable rent of said premises up to the time of such default. And the said seller, in case of such default, shall have the right immediately, or at any time thereafter, to enter upon the land aforesaid, without any process of law, and take immediate possession thereof, together with all the improvements and appurtenances thereun or thereto belonging.

The buyer further agrees that failure by the seller at any time to require performance by the buyer of any provision hereof shall in no way affect his right hereunder to enforce the same, nor shall any waiver by said seller of any 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.

The true and actual consideration paid for this transfer, stated in terms of dollars, is $120,000.00 *(Here insert the actual consideration constituting or including other property or value given or promised which is the consideration (indicate which).)*

In case suit or action is instituted to foreclose this contract or to enforce any of the provisions hereof, the buyer agrees to pay such sum as the 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 the trial court, the buyer further promises to pay such sum as the appellate court shall adjudge reasonable as plaintiff's attorney's fees on such appeal.

In construing this contract, it is understood that the seller or the buyer 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.

IN WITNESS WHEREOF, said parties have executed this instrument in duplicate; if either of the undersigned is a corporation, it has caused its corporate name to be signed and its corporate seal affixed hereto by its officers duly authorized thereunto by order of its board of directors.

Merle David Young

JoAnne Young

FORT COE COMPANY

By Hal F. Coe

By Bonnie B. Coe

Bonnie B. Coe

NOTE—The sentence between the symbols ⓪, if not applicable, should be deleted. See ORS 93.030.

STATE OF OREGON, County of Klamath } ss.

August 26, 19 77

Personally appeared the above named Merle David Young and JoAnne Young, husband and wife and acknowledged the foregoing instrument to be their voluntary act and deed.

Before me:

(OFFICIAL SEAL)

Notary Public for Oregon

My commission expires 5/26/78

STATE OF OREGON, County of Klamath } ss.

August 26, 19 77

Personally appeared Hal F. Coe and Bonnie B. Coe 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 Fort Coe Company a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed 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:

(OFFICIAL SEAL)

Notary Public for Oregon

My commission expires: 5/26/78

(DESCRIPTION CONTINUED)

within the limits of public roads and highways.
5. Building set back 25 feet from street as shown on dedicated plat.
6. Utility easement along the rear lot line of all lots as shown on dedicated plat.
7. Reservations and restrictions contained in the dedication of First Addition to Pine Grove Ponderosa, as follows:
"(1) A 25 foot building set back line along all streets. (2) A 16 foot public utilities easement centered on the back of all lots in Blocks 2 and 5, and a 16 foot public utilites easement along the back lot lines of all lots in Block 1, 3, 4 and 6. (3) Additional restrictions as provided in any recorded protective covenant. (4) We also dedicate, donate and convey to Klamath County, the areas shown on the plat as one-foot street plugs, said areas to be designated as a public road when the County Governing body deems it necessary."
8. Declaration of Conditions and Restrictions of First Addition to Pine Grove Ponderosa, executed by Piney Woods & Development Company, an Oregon corporation, dated December 19, 1969, recorded December 22, 1969, Document No. 37518, Volume M69, page 10609, Microfilm Records of Klamath County, Oregon.
9. Trust Deed, including the terms and provisions thereof, given to secure an indebtedness with interest thereon and such future advances as may be provided therein.
Dated: January 15, 1975
Recorded: January 16, 1975 in Volume M75, page 732, Microfilm Records of Klamath County, Oregon.
Amount: $62,400.00
Grantor: Merle Young and Jo Anne Young, husband and wife
Trustee: William Ganong, Jr.
Beneficiary: First Federal Savings and Loan Association of Klamath Falls, Oregon, which Vendees do not assume and agree to pay and Vendors covenant and agree to hold them harmless therefrom.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 30th day of AUGUST A.D., 19 77 at 3:23 o'clock P M., and duly recorded in Vol M77 of DEEDS on Page 16043.

FEE $ 6.00

WM. D. MILNE, County Clerk

By Hazel Draper Deputy