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ORIGINAL

9/26/77

Highway Division
Files 23127 & 44856

LAND SALE CONTRACT

THIS AGREEMENT, made and entered into this 23rd day of October, 1977,
by and between the STATE OF OREGON, by and through its DEPARTMENT OF TRANSPORTATION,
Highway Division, hereinafter referred to as "State", and KEN FARMER and SEVOLA
FARMER, husband and wife, hereinafter referred to as "Purchasers".

WITNESSETH:

That State, for the consideration hereinafter mentioned, covenants and agrees
to and with Purchasers to sell and convey unto Purchasers, and Purchasers agree to
purchase from State, the following described real property, to wit:

PARCEL 1 (File 23127)

A parcel of land lying in Lot 4, Block 103, BUENA VISTA ADDITION to the
City of Klamath Falls, Klamath County, Oregon; the said parcel being that portion
of said Lot 4 lying Northeasterly of a line parallel with and 80 feet Northeast-
erly of the center line of the relocated The Dalles - California Highway, which
center line is described in that deed to the State of Oregon, by and through its
State Highway Commission, recorded in Book 323, Page 525 of Klamath County
Record of Deeds.

The parcel of land to which this description applies contains 3600 square
feet, more or less.

PARCEL 2 (File 44856)

A parcel of land lying in Lot 3, Block 103, BUENA VISTA ADDITION to the
City of Klamath Falls, Klamath County, Oregon; the said parcel being that portion
of Lot 3 lying Northeasterly of a line parallel with and 80 feet Northeasterly
of the center line of the relocated The Dalles - California Highway, which
center line is described in that deed to the State of Oregon, by and through its
State Highway Commission, recorded in Book 323, Page 525 of Klamath County
Record of Deeds.

The parcel of land to which this description applies contains 5300 square
feet, more or less.

The above described property shall hereafter be referred to as "premises".

1. PAYMENTS. Purchaser agrees to pay State therefor the sum of One Thousand
Six Hundred Fifty and No/100 DOLLARS (\$1,650.00) payable as follows:

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a. Three Hundred Thirty and No/100 DOLLARS (\$330.00) as the down payment, receipt of which is acknowledged, and

b. The balance of One Thousand Three Hundred Twenty and No/100 DOLLARS (\$1,320.00) to be paid in installments of not less than Sixty and 61/100 DOLLARS (\$60.61) per month, which includes interest at the rate of 9½ percent per annum on the unpaid balance of the purchase price and subsequent tax advances, said monthly payments to commence on the 1st day of the month following the execution of this contract by both parties, and continue monthly thereafter on the 1st day of each following month until the full amount of said principal and all tax and other advances, including all interest thereon, is paid.

2. UNPAID BALANCE. Purchasers may pay all or any part of the balance due on this contract at any time prior to the time herein specified and required.

3. IMPROVEMENTS. All buildings and improvements hereafter placed upon premises shall remain, be kept in good repair by Purchasers and not removed prior to final payment under this contract.

4. TAXES. State will pay all real property taxes assessed against premises becoming due and payable after the date of this contract, as said real property taxes become due, or in advance of the due date thereof, and add said taxes to the principal balance due on the purchase price of premises. The amount of the monthly payments under this contract will be adjusted on January 1, 1979 and on January 1st of each year thereafter to reflect the amount of the annual real property taxes assessed against premises.

Except for the real property taxes as hereinabove provided, Purchasers agree to regularly and seasonably pay all other liens, assessments and charges, including existing local street improvement assessments, which are or may be hereafter lawfully

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imposed or which constitute or will constitute liens or encumbrances against premises. Should Purchasers fail or refuse to pay and discharge any of the above mentioned liens, assessments or charges prior to the time they are to become delinquent, State, at its option, may pay the same and add the amount expended to the balance of the purchase price.

5. DEED. In case Purchasers, their legal representative or assigns, shall pay the several sums of money aforesaid, punctually and at the time above specified, and shall strictly and literally perform all and singular the agreements and stipulations aforesaid, according to the time, intent, and tenor thereof, then State will give unto Purchasers, their heirs or assigns, upon request and upon surrender of this contract, a deed of conveyance conveying premises.

6. RESTRICTIONS, RESERVATIONS, AND CONDITIONS. The property sold shall be subject to the following reservations, conditions and restrictions and the deed of conveyance shall contain the following provisions with regard thereto:

"This conveyance is made upon the following express conditions, restrictions and reservations:

a. "That there is reserved to Grantor, its successors, and assigns, all minerals, as defined in ORS 273.775 (1), and all geothermal resources, as defined in ORS 273.775 (2), together with the right to make such use of the surface as may be reasonably necessary for prospecting for, exploring for, mining, extracting, reinjecting, storing, drilling for and removing such minerals and geothermal resources; provided, however, that the rights hereby reserved to use the surface for any of the activities shall be subordinate to that use of the surface of the premises deeded herein, or any part thereof, being made by the owner thereof on the date the State of Oregon leases its reserved minerals or geothermal resources; in the event such use of the premises by a surface rights owner would be damaged by one of the activities described above, then such owner shall be entitled to compensation from the State's lessee to the extent of the diminution in value of the surface rights owner's interest.

b. "That there is reserved to Grantor, and waived by Grantees, all access rights between the above described real property and the right of way of the public ways identified as The Dalles - California Highway abutting thereon.

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c. "That the above described land shall never be used for the placing or maintenance of any advertising sign, display or device, except such sign, display or device used to advertise the activities on said land, or the lease of said land or any portion thereof. In the event of violation of this condition, Grantor shall have the right, through its authorized officers, agents or employees to enter upon said land and remove, destroy or obliterate any unauthorized sign, display or device, without liability for damage or injury thereto, and to recover the cost of such removal, destruction or obliteration from the owner of said land.

d. "That no junk, scrap, junked motor vehicles or parts thereof, debris, trash, waste or other such materials shall be placed on said land for whatever purpose in any manner so as to be visible from a state highway, provided that such items as listed above can otherwise be placed on said land without violating any applicable law, ordinance or regulation. In the event of violation of this condition, Grantor shall have the right, through its authorized officers, agents or employees to enter upon said land and remove or destroy any unauthorized junk, scrap or other material mentioned above and recover the cost of such removal or destruction from the owner of said land.

e. "This property shall not be used for the operation of any garbage dump or sanitary land fill. If such use is made of the property, Grantor may, at its election, upon 30 days written notice to Grantees, declare this deed to be forfeited and thereupon all right, title and interest herein granted shall revert to and vest in Grantor, without necessity of re-entry by Grantor.

f. "That this conveyance is made upon the further condition, which shall constitute a covenant running with the land, that Grantor shall not at any time become liable to Grantees, their heirs, assigns, or successors in interest for damages to land herein described or any buildings, structures, improvements or property of any kind or character now or hereafter located upon said land or for any injuries to any owner, occupant or any person in or upon said land or for any interference with the use and enjoyment of said land or for damages which except for this covenant might constitute a nuisance caused directly or indirectly by noise or air pollutant emissions from transportation vehicles using the highway or transportation facility adjacent to said land. Any reference in this covenant to the highway or transportation facility adjacent to said land refers to the highway or transportation facility as it now exists and also as it will exist with future improvements.

g. "Grantees assume the risk of ice, snow, rock, debris and other objects falling from the California Avenue overcrossing structure and do hereby relieve Grantor from any liability in connection therewith.

The rights and remedies herein reserved or provided shall not be exclusive and shall not be in derogation of any other right or remedy which Grantor may have. The restrictions, rights, and conditions herein contained shall run with said land and shall forever bind Grantees, their heirs and assigns. Where any action is taken to enforce the above mentioned conditions, Grantor shall not be liable for any trespass or conversion as to any real or personal property.

It is understood that the conditions, covenants and reservations herein set out have been considered in determining the amount of consideration of this conveyance."

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7. ASSIGNMENT. Purchasers shall not sell, assign, or transfer this contract unless the written consent of State is first obtained. In case such sale, assignment, or transfer is so authorized by State, the assignee thereof shall be entitled to all the rights and privileges and shall be under all the obligations and duties of Purchasers as specified herein.

8. DEFAULTS. Time and the prompt and punctual payment of all sums payable hereunder, and the exact performance and observance of each and all of the agreements and provisions herein contained, are in each and every case of the essence of this contract.

If Purchasers shall fail to pay, when the same becomes due as herein provided, any installment specified herein, or shall become delinquent in the payment of said installments or any of them or in the payment of any assessments levied or assessed or becoming payable against premises, or shall fail to keep premises free from liens and encumbrances accruing after this date, or shall otherwise fail to keep and perform the agreements therein, State may at its option, terminate this contract by giving Purchasers thirty (30) days notice in writing of its intentions to do so, and upon the expiration of said thirty (30) day period and the continued default in any covenant or condition by Purchasers during such period, then State may, without tender of performance, or suit or action, declare this contract null and void, and all the rights of Purchasers in said contract and all their estate, equity, interest, or right of possession in premises shall cease and terminate, and all payments made by Purchasers to State, whether on principal or interest, or for taxes, liens or assessments, and including any and all buildings and improvements upon premises, shall be forfeited to State the same being considered liquidated damages for the

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non-performance of this contract, and State shall have the right of immediate possession of the premises without the necessity of court action; or State may elect to consider this contract existing, and, in case of a continued default by Purchasers for a period of thirty (30) days after notice to Purchasers calling attention to such default, State may declare the whole of the unpaid purchase price, together with all accrued interest, immediately due and payable. In the event any suit or action is brought by State to enforce the collection of the said unpaid purchase price and interest, or to obtain possession of premises in the event Purchasers fail to surrender the same peaceably on default or for the collection of any unpaid installment or installments, Purchasers agree to pay such reasonable attorney's fees as the court may allow to State.

Whenever the word "Purchasers" is used herein the same shall be deemed to include the Purchasers, their heirs, administrators, executors, personal representative, successors or assigns.

The real property hereinabove described is no longer needed or required by State for highway, scenic or park purposes.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures the day and year first above written.

Ken Farmer
Sevola Farmer

STATE OF OREGON, by and through its
DEPARTMENT OF TRANSPORTATION
Highway Division

By *J. B. Boyd*
J. B. Boyd, Right of Way Manager

11/2/77

APPROVED AS TO FORM:

James S. Lucas
Asst. Attorney General and Counsel

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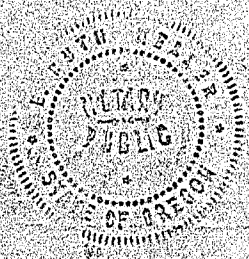
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STATE OF OREGON, County of Klamath
October 23, 1977. Personally appeared the above named Ken Farmer and
Sevela Farmer, who acknowledged the foregoing instrument to be their voluntary act.
Before me:

Judy B. Ruben
Notary Public for Oregon
My Commission expires 8-23-81

STATE OF OREGON, County of Marion
November 2, 1977. Personally appeared J. B. Boyd, who being sworn,
stated that he is the Right of Way Manager for the State of Oregon, Department of
Transportation, Highway Division, and this document was voluntarily signed on behalf
of the State of Oregon, by authority delegated to him. Before me:

Paul R. Keller
Notary Public for Oregon
My Commission expires Oct. 8, 1981



STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record XXXXXXXXXX
this 10th day of NOVEMBER A. D. 19 77 at 1:20 o'clock p.m., and
fully recorded in Vol. M77, of DEEDS on Page 21808

FEE \$ 21.00

Wm D. MILNE, County Clerk
By Bernetha A. Ketchum

dk
Oregon State Highway Div.
119 Transportation Bldg.
Salem Or