

THIS CONTRACT OF SALE, made and entered into this 10th day of January, 1978, by and between HAROLD V. GRAVETT and DOROTHY M. GRAVETT, husband and wife, hereinafter called Sellers, and JOHN HAMNER and JOANNE M. HAMNER, husband and wife, hereinafter called Buyers;

W I T N E S S E T H :

That the Sellers agree to sell to Buyers, and Buyers agree to buy from Sellers all of the following described real and personal property, to-wit:

The N $\frac{1}{2}$ SE $\frac{1}{4}$ and E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 13, Township 39 South, Range 11 East, of the Willamette Meridian, Klamath County, Oregon.

Subject, however, to the following:

1. Rights of the public in and to any portion of the herein described premises lying within the limits of streets, roads or highways.
2. The assessment roll and the tax roll disclose that the premises herein described have been specially assessed as Farm Use Land. If the land becomes disqualified for the special assessment under the statute, an additional tax may be levied for the last ten (10) or lesser number of years in which the farm use assessment was in effect for the land and in addition thereto a penalty may be levied if notice of disqualification is not timely given.
3. The premises herein described are within and subject to the statutory powers, including the power of assessment, of Klamath Project and Horsefly Irrigation District.
4. Right of Way Deed, including the terms and provisions thereof, recorded June 8, 1918 in Volume 49, page 263, Deed Records of Klamath County, Oregon, from Ben Crapser and Nettie Crapser, his wife, to The Horsefly Irrigation District of Klamath County, Oregon. For: Ditch and canal purposes. (Affects NE $\frac{1}{4}$ NE $\frac{1}{4}$)
5. Right of Way Deed, including the terms and provisions thereof, recorded June 8, 1918 in Volume 49, page 267, Deed Records of Klamath County, Oregon, from Ben J. Crapser and Nettie Crapser, his wife, to The Horsefly Irrigation District. For: Ditch and canal purposes. (Affects E $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$)
6. Grant of Right of Way, including the terms and provisions thereof, recorded July 12, 1930 in Volume 91, page 467, Deed Records of Klamath County, Oregon, from Ben Crapser and Nettie Crapser, his wife, to The California Oregon Power Company. For: Poles, wires, towers and other facilities for the distribution and transmission of electricity. Affects E $\frac{1}{2}$ NE $\frac{1}{4}$ and NE $\frac{1}{4}$ SE $\frac{1}{4}$)
7. Grant of Right of Way, including the terms and provisions thereof, recorded November 14, 1941 in Volume 142, page 459, Deed Records of Klamath County, Oregon, from Benjamin Crapser and Nettie Crapser, his wife to The California Oregon Power Company, a California corporation. For: Poles, wires, towers and other facilities for the distribution and transmission of electricity. Affects N $\frac{1}{2}$ SE $\frac{1}{4}$)
8. Grant of Right of Way, including the terms and provisions thereof, recorded June 22, 1948 in Volume 222, page 69, Deed Records of Klamath County, Oregon, from Charles Walker and Matilda J. Walker, husband and wife, to The California Oregon Power Company, a California corporation. For: Poles and wires and other facilities for the distribution and transmission of electricity. (Affects SE $\frac{1}{4}$ NE $\frac{1}{4}$)

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9. Grant of Right of Way, including the terms and provisions thereof, recorded April 7, 1954 in Volume 266, page 275, Deed Records of Klamath County, Oregon, from Charles Walker and Matilda Joan Walker, husband and wife, to The California Oregon Power Company, a California corporation. For: Poles, wires, towers and other facilities for the distribution and transmission of electricity.
(Affects NE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$)

TOGETHER WITH the personal property, a more particular description of which is set forth in Exhibit "A" attached hereto and by this reference incorporated herein.

ENCUMBRANCES: It is understood and agreed that the subject real property is to be conveyed free and clear of any and all encumbrances, liens, clouds on title or other impediments to marketability of title, except as follows:

(1) Mortgage, including the terms and provisions thereof, given to secure an indebtedness with interest thereon and such future advances as may be provided therein.

Dated: August 10, 1972

Recorded: August 22, 1972

Volume: M72, page 9396, Microfilm Records of Klamath County, Oregon.

Amount: \$21,100.00

Mortgagor: Harold V. Gravett and Dorothy M. Gravett, husband and wife
Mortgagee: The Federal Land Bank of Spokane, a corporation in Spokane, Washington, which Buyers do not assume and agree to pay, and Sellers further covenant to and with Buyers that the said prior mortgage shall be paid in full prior to, or at the time this contract is fully paid and that said above described real property will be released from the lien of said mortgage upon payment of this contract.

TOTAL PURCHASE PRICE: The total purchase price is the sum of ONE HUNDRED TEN THOUSAND DOLLARS (\$110,000.00).

DOWN PAYMENT: Buyers shall pay to Sellers as a down payment on said total purchase price the sum of TWENTY THOUSAND DOLLARS (\$20,000.00), to be paid concurrently with the execution of this agreement, and the execution hereof shall be deemed an acknowledgement of the receipt of said down payment by Sellers. It is understood that this down payment includes any money paid by Buyers as earnest money for the purpose of binding this transaction.

PAYMENT OF BALANCE: The balance of the purchase price, being the sum of NINETY THOUSAND DOLLARS (\$90,000.00) shall be paid

in an annual installment on January 10, 1979, of interest only at the rate of 8 $\frac{1}{2}$ % per annum from January 10, 1978. Commencing January 10, 1980, payments shall increase to \$9,510.00 per year inclusive of interest at the rate of 8 $\frac{1}{2}$ % per annum. Said \$9,510.00 annual payments to be due and payable on the 10th day of January each year thereafter until the balance, both principal and interest, is paid in full. All deferred balances of said purchase price shall bear interest at the rate of 8 $\frac{1}{2}$ % per annum from January 10, 1978, until paid.

Of said \$90,000.00 balance, the sum of \$86,500.00 represents that part of the balance allocated to the real property, together with all the improvements thereon, and the sum of \$3,500.00 represents that portion of the balance allocated to the personal property described above.

TAXES AND LIENS: All taxes levied against the property for the current tax year shall be prorated between Sellers and Buyers as of January 10, 1978. Buyers agree to pay when due all taxes and assessments which are hereafter levied against the property, but may

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elect to pay assessments in accordance with any available installment method. If Buyers object in good faith to the validity or amount of any such tax or assessment, Buyers, at their sole expense, may contest the validity or amount of the tax or assessment. Buyers shall otherwise keep the property free from all public, municipal and statutory liens which may be hereafter lawfully imposed upon the property.

The property is classified as Farm Use Land. Buyers shall be responsible for any additional taxes or interest resulting from any disqualification of the property from such classification.

POSSESSION: The Buyers shall be entitled to possession of the premises on January , 1978, and may retain such possession so long as they are not in default under the terms of this contract.

MAINTENANCE AND INSURANCE: Commencing with the possession date and thereafter at all times during the term of this contract, Buyers shall with respect to the property do the following:

Buyers shall take good and proper care of the subject real property, preventing the value of same from deteriorating through neglect and lack of care. Buyers further covenant and agree that they will commit no waste nor utilize the property in such a manner as to constitute a nuisance, wrongful or unlawful use. Buyers reserve the right to improve the subject real property in any manner they shall see fit without obtaining prior consent from the Sellers; PROVIDED, HOWEVER, that the improvements so made shall be and become part of the real property and shall belong to the Sellers subject to this contract.

Promptly comply with all laws, ordinances, regulations, directions, rules and requirements of all governmental authorities applicable to the use or occupancy of the property, and in this connection promptly make all required repairs, alterations and additions.

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

REPRESENTATION: Buyers certify that this sale agreement is accepted on the basis of Buyers' own examination and personal knowledge of the properties and opinion as to the value thereof; that the only material representations and warranties inducing this transaction are those expressly set forth herein; that no agreement or promise to alter, repair, or improve said properties has been made by Sellers or any agent of Sellers; and Buyers hereby agree to take said properties and the improvements thereon in the condition they are in at the time of execution of this agreement. Buyers agree to keep said properties and the improvements in a good condition of repair and maintenance, and Buyers will commit no waste thereof.

SELLERS' WARRANTIES: Sellers covenant with Buyers as follows: Except as expressly provided herein to the contrary, Sellers are the sole owners of said properties and seized in fee simple of the

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