

When recorded please return to:

Robert Morris
2038 NW Vicksburg
Bend, Or. 97701

Vol. ^m78 Page 8216

CONTRACT OF SALE

46983

THIS CONTRACT entered into this 14th day of April
1978, by and between Robert T. Morris and Jacqueline
L. Morris, husband and wife, hereinafter referred to as
Seller, and R. L. Land and Cattle Company, Inc., an Oregon
Corporation, hereinafter referred to as Purchaser,

W I T N E S S E T H:

1. DESCRIPTION OF PROPERTY: Seller agrees to sell the
Purchaser and Purchaser agrees to Purchase that certain land
and all improvements thereon, situated in Klamath County,
Oregon, and more particularly described as follows:

SEE SCHEDULE A

SUBJECT TO:

1. The assessment roll and the tax roll disclose that the
within described premises were specially assessed as farm
land. If the land has become or becomes disqualified for
the assessment under the statute, an additional tax may be
levied for the years since October 5, 1968, in which the
land was subject to the special land use assessment.
2. Preservations, including the terms and provisions thereof,
for mineral rights as disclosed in deed from Long Bell Lumber
Company to Weyerhaeuser Timber Company in Deed Volume 70,
page 282, and in Deed from Weyerhaeuser Timber Company to
Louis W. Soukup and Mildred K. Soukup in Volume 264, page
414, and in deed from John Ashley and Eve B. Ashley to
William R. Owens and Margaret H. Owens in Volume 356, page
42, records of Klamath County, Oregon.
3. Judgement docketed January 16, 1959, Book 12, page 158
Judgement Lien Docket of Klamath County, Oregon, in the
amount of \$11,796.18 against Louis W. Soukup and Mildred D.
Soukup in favor of Richard A. Harmon and Hazel A. Harmon.
By an order entered October 8, 1968, the above judgement was
renewed in book 23 on page 94, Judgement Lien Docket of
Klamath County, Oregon.
4. Mortgage, including the terms and provisions thereof,
given by Prudential Property Planning, Inc., to the
Travelers Insurance Company, dated January 21, 1975 and
recorded February 25, 1975 in Mortgage records M-75 on page
2261, Microfilm records of Klamath County, Oregon, to secure
the payment of \$130,000.00.

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5. Financing Statement, including the terms and provisions thereof, Prudential Property Planning, Inc., as debtors and the Travelers Insurance Co. Real Estate Investment Department, as Secured Party, filed February 25, 1975 as document no. 98384 in Secured Transactions of Klamath County, Oregon, for irrigation equipment.

6. Mortgages, including the terms and provisions thereof, given by Robert T. Morris and Jacqueline L. Morris, husband and wife to Western Bank, dated September 30, 1977 and recorded October 3, 1977 in Microfilm records M-77 on page 18753, records of Klamath County, Oregon, to secure the payment of \$125,000.00.

2. PURCHASE PRICE AND TERMS: The purchase of the property, which Purchaser agrees to pay as follows shall be the sum of NINE HUNDRED THOUSAND AND NO/100's (\$900,000.00) payable as follows:

(a) The sum of ONE HUNDRED FIFTY THOUSAND AND NO/100's (\$150,000.00) which is paid upon the execution of this agreement:

(b) The remaining balance of SEVEN HUNDRED FIFTY THOUSAND AND NO/100's (\$750,000.00) shall be paid in annual installments of THIRTY SEVEN THOUSAND FIVE HUNDRED AND NO/100's (\$37,500.00) plus interest at the rate of 9 percent (9%) per annum on the unpaid balance, the first of such installments to be paid on the 14th day of April 1979 and subsequent installments to be paid on or before the 14th day of April each and every year thereafter.

The full balance, both principal and interest shall be due and payable not later than twenty (20) years from the date of execution of this agreement.

3. INTEREST: Interest on all unpaid balances shall commence on the 14th day of April, 1978.

4. PREPAYMENT PRIVILEGES: Purchaser shall have the privilege of prepaying the entire balance at any time together with interest due thereon to the date of payment, without penalty.

5. TAXES: All taxes levied against the above described property for the current tax year shall be prorated between Seller and Purchaser as of July 1, 1977. Purchaser agrees to pay when due all taxes which are hereafter levied against the property.

If at any time the described real property is disqualified for farm use or farm deferral, purchaser agrees to assume and pay any and all additional taxes, penalties or interest, and to hold the seller harmless from any liability thereon.

Purchasers will make prompt application as required by law to retain the existing taxation rate based upon the lands present use as farm deferral property. Purchasers further agree they will fully use and protect all existing water rights pertinent to said premises.

6. MAINTENANCE: The purchasers agree to farm and manage the property herein, both real and personal in a good and husbandlike manner, to reasonably maintain the fences, to save and protect the water rights, to reasonably protect the personal property from the elements, and to repair or replace such personal property as becomes obsolete or unuseable.

7. INSURANCE: Buyer agrees 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 not less than the appraised value of said buildings or improvements in a company or companies satisfactory to the seller, with loss payable first to the seller and then to the purchaser as their respective interests may appear and all policies of insurance to be delivered to the seller as soon as insured. Now if the purchaser shall fail 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 purchaser's breach of contract. All uninsured losses shall be borne by Purchaser on or after the date Purchaser becomes entitled to possession.

8. POSSESSION: Purchaser shall be entitled to possession of the premises on the day of execution of this agreement.

9. TITLE INSURANCE: The Seller agrees that at his expense he will furnish unto Purchaser a Title Insurance Policy in the amount of NINE HUNDRED THOUSAND AND NO/100's (\$900,000.00) within thirty (30) days from the date of execution of this agreement, save and except the usual printed exceptions and the building and other restrictions and easements now of record, if any.

10. IMPROVEMENTS, ALTERATIONS, AND REPAIRS: Purchaser agrees that all improvements now located or which shall hereafter be placed on the premises shall remain a part of the real property and shall not be removed at any time prior to the expiration of this agreement without the written consent of the Seller. Purchaser shall not commit or suffer any waste of the property, or any improvements thereon, or alterations thereof, and shall maintain the property, and all improvements thereof and all alterations thereof, in good condition and repair.

11. LIENS: The purchaser promises that he will keep said premises free from mechanic's and all other liens and save the seller harmless therefrom 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. Now if the purchaser shall fail to pay any such liens, costs, water rents, taxes, or charges, 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 purchaser's breach of contract.

12: COVENANT OF TITLE: Vendor covenants that they are the owners of the above described property free of all encumbrances, excepting those herein above described.

13: DELIVERY OF DEED: Upon payment of the entire purchase price for the property, as provided herein, and performance by Purchaser of all other terms, conditions and provisions hereof, seller shall forthwith execute and deliver to Purchaser a good and sufficient deed conveying said property free and clear of all liens and encumbrances, except as above provided and those placed upon the property or suffered by Purchaser subsequent to the date of this contract.

14. DEFAULT PROVISIONS: In the event that Purchaser shall fail to perform any of the terms of this agreement, time of payment and performance being of the essence, Seller shall, at his option, subject to the requirements of notice as herein provided have the following rights;

(a) To foreclose this contract by strict foreclosure in equity.

(b) To declare the full unpaid balance of the purchase price immediately due and payable.

(c) To specifically enforce the terms of this agreement by suit in equity.

(d) To declare this agreement null and void as of the date of the breach and to retain as liquidated damages the amount of the payment theretofore made upon said premises. Under this option all of the right, title and interest of Purchaser shall revert and re-vest in Seller without any act of re-entry or without any other act by Seller to be performed, and Purchaser agrees to peaceably surrender the premises to Seller or in default thereof Purchaser may, at the option of Seller, be treated as a tenant holding over unlawfully after the expiration of a lease and may be ousted and removed as such.

Purchaser shall not be deemed in default for failure to perform any covenant or condition of this contract, other than the failure to make payments as provided for herein, until notice of said default has been given by Seller to Purchaser and Purchaser shall have failed to remedy said default with 15 days after the giving of the notice. Notice for this purpose shall be deemed to have been given by the Seller if it is sent by a certified letter containing said

notice and addressed to Purchaser at Route 1, Box 263, Ontario, Oregon. If Purchaser shall fail to make payment as herein provided and said failure shall continue for more than 15 days after the payment becomes due, Purchaser shall be deemed in default and Seller shall not be obligated to give notice to Purchaser of a declaration of default.

In the event of default by the purchaser of this contract, and if the seller elects, upon default of this contract, to foreclose by suit in equity, the seller shall have the right to have a receiver of the property appointed by the Court. Such action shall not be construed to be a disaffirmance of the contract but rather shall be construed to be in furtherance of the right of the seller to preserve the security during the pendency of said suit.

15. ATTORNEY FEES: In case litigation is instituted arising directly or indirectly out of this contract, the losing party shall pay to the prevailing party reasonable attorney fees, including reasonable attorney fees upon any appeal that may be taken.

16. REPRESENTATIONS: Purchaser certifies that this contract of purchase is accepted and executed on the basis of his own examination and personal knowledge of this premises and opinion of the value thereof; that no attempt has been made to influence his judgement; that no representations as to the condition or repair of said premises have been made by Seller or by any agent of Seller and that Purchaser takes said property and the improvements thereon in the condition existing at the time of this agreement.

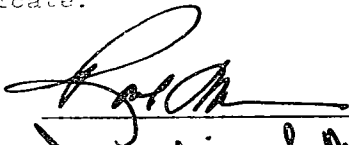
17. WAIVER: Failure by Seller at any time to require performance by Purchaser of any of the provisions hereof shall in no way effect Seller's rights hereunder to enforce the same, nor shall any waiver by Seller of any breach hereof be held to be a waiver of any succeeding breach, or a waiver of this nonwaiver clause.

18. ASSIGNMENTS: Purchaser shall not assign this contract, or any portion thereof, or their rights hereunder or any portions thereof, or in the property **covered** thereby, without the written consent of Seller to be first had and received, although such consent shall not be unreasonably withheld.

19. SUCCESSOR INTEREST: The covenants, conditions and terms of this agreement shall extend to and be binding upon and inure to the benefit of the heirs, administrators, executors and assigns of the parties hereto, provided, however, that nothing contained in this paragraph shall alter the restrictions hereinabove contained relating to assignment.

20. INTERPRETATION: In construing this contract, it is understood that the Seller or the Purchaser 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.



Josephine I. Morris
R. J. Satalich Cattle Company Inc.
Andrew Satalich, President

SCHEDULE A

The following described real property in Klamath County, Oregon:

PARCEL 1

Lots 3 and 4 of Section 35; S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, Lots 7 and 8 in Section 36; All in Township 38 South, Range 7 East of the Willamette Meridian.

PARCEL 2

The NE $\frac{1}{4}$ SW $\frac{1}{4}$, Lots 2, 3 and 5 in Section 31, Township 38 South, Range 8 East of the Willamette Meridian;

EXCEPTING AND RESERVING THEREFROM part of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ and of Lots 2 and 3 of said township, range and section, more particularly described as follows:

Beginning at the quarter corner on the West line of said Section 31; thence South along said West line a distance of 676.0 feet to a 1 $\frac{1}{2}$ " iron pipe 30 inches long; thence South 67° East, a distance of 1169.0 feet to a 1 $\frac{1}{2}$ " iron pipe 30 inches long; thence South 50° East, a distance of 969.0 feet to a 1 $\frac{1}{2}$ " iron pipe 30 inches long; thence South 27° East, a distance of 927.0 feet, more or less, to a point on the South line of said Section, which point is marked by a 1 $\frac{1}{2}$ " iron pipe 30 inches long; thence East along said South line, a distance of 375.0 feet, more or less, to the South quarter corner of said Section 31; thence North along the North and South center line of said Section 31, a distance of 2640.0 feet, more or less, to the center of said Section; thence West along the East and West center line of said Section, a distance of 2640.0 feet, more or less, to the point of beginning.

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PARCEL 3

Lot 4, Section (12) Township 39 South, Range 7 East of the Willamette Meridian; EXCEPTING THE FOLLOWING:

Beginning at a point on the South line of Lot 4 of said Section 12, said point being 246.2 feet West of the Southeast corner of said Lot and is marked by a 1½" iron pipe 30 inches long; thence North 38° 30' West, a distance of 395.5 feet to a 1½" iron pipe 30 inches long; thence North 13° West, a distance of 243.8 feet to a 1½" iron pipe 30 inches long; thence North 39° West, a distance of 509.0 feet, to a 1½" iron pipe 30 inches long; thence North 77° West, a distance of 458.00 feet, more or less, to a point on the West line of said Lot; thence South, a distance of 1042.0 feet, more or less, to the Southwest corner of said Lot; thence East a distance of 1074.0 feet, more or less, to the point of beginning, being a part of Lot 4, Section 12, Township 39 South, Range 7 East of the Willamette Meridian.

PARCEL 4

The SE¼NE¼, W¼NW¼, E¼E¼NE¼SE¼, Lots 1, 2, and 7 of Section 6;

Lot 1 of Section 7 EXCEPTING THE FOLLOWING:

Beginning at the Southeast corner of said Lot 1; thence North 660 feet; thence West 660 feet; thence South 660 feet; thence East 660 feet to the point of beginning;

Lots 2 and 6, S¼SW¼NE¼, NW¼SW¼NE¼, W¼NW¼ of Section (7);

E¼NE¼ of Section (15)

All in Township 39 South, Range 8 East of the Willamette Meridian.

PARCEL 5

Part of Lots 4 and 3 of Section 36, Township 38 South, Range 7 East of the Willamette Meridian, and more particularly described as:

Commencing at the East quarter corner of said Section 36; then along the East line of said Section, 676.0 feet to a 1½" iron pipe 30 inches long, which is the true point of beginning; thence South 75° West, a distance of 820.13 feet to a 1½" iron pipe 30 inches long; thence North 79° 54' West, a distance of 647.74 feet to a 1½" iron pipe 30 inches long; thence North 64° 25' West, a distance of 692.67 feet to a 1½" iron pipe 30 inches long; thence North 57° 56' West, a distance

of 530.90 feet to a 1½" iron pipe 30 inches long; thence North 77° 24' West, a distance of 169.01 feet, more or less, to a point on the West line of Lot 3, said point being marked by a 1½" iron pipe 30 inches long; thence South along said West line, a distance of 234.04 feet, more or less, to an intersection with the meander line, said point being marked by a 1½" iron pipe 30 inches long; thence South 73° 21' East, along said meander line, a distance of 2786.44 feet, more or less, to the meander corner on the East line of said Section 36; thence North along said East line, a distance of 555.66 feet, more or less, to the true point of beginning.

PARCEL 6

Parts of Lot 1 and 2 of Section 1, a part of the Fractional E½E½ of Section 2, and parts of Lots 3 and 1, a part of the NW¼NW¼ and a part of Lot 2 of Section 12, Township 39 South, Range 7 East of the Willamette Meridian, more particularly described as follows:

Beginning at the point of intersection of the East line of Lot 3 of said Section 12, with the meander line of Round Lake, from which point the meander corner on the East line of said Section 12 bears South 49° 56' 30" East, 1713.2 feet distant; thence Northerly along said meander line as follows:

- (1) North 59° 35' 30" West, 774.1 feet to a point;
- (2) North 47° 48' 00" West, 1313.8 feet to a point;
- (3) North 55° 04' 30" West, 936.6 feet to a point; said point being hereinafter referred to as "Point X";
- (4) North 17° 35' 00" West, 838.1 feet to the meander corner on the North line of said Section 12;
- (5) North 57° 35' 00" West, 987.1 feet to a point; said point being hereinafter referred to as "Point Y";
- (6) North 10° 16' 30" West, 2157.3 feet to a point;
- (7) North 5° 13' 00" West, 980.3 feet to a point;
- (8) North 20° 56' 00" West, 87.0 feet to the meander corner on the West line of said Section 1; and
- (9) North 23° 22' 30" West, 1701.9 feet to the meander corner on the North line of said Section 2; thence North 89° 56' 00" West, leaving said meander line, along said North section line, 32.7 feet, more or less, to the point of intersection of said North line with a line parallel to and 30 feet distant Westerly from, when measured at right angles to, the last herein described course of said meander line, said point of intersection being marked by an iron pipe 1½" in outside diameter, 30 inches long and driven into the ground, as are all angle points on, and the Southerly terminus of, the Westerly line of the real property hereby described so marked; thence Southerly parallel to and 30 feet distant Westerly from said meander line, as follows:

description continued

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- (1) South $23^{\circ} 22' 30''$ East, 1714.0 feet, more or less, to a point on the bisector of the re-entrant angle first on said meander line;
- (2) South $20^{\circ} 56' 00''$ East, 82.4 feet, more or less, to a point on the bisector of the re-entrant angle next on said meander line;
- (3) South $5^{\circ} 13' 00''$ East, 977.4 feet, more or less, to a point on the bisector of the salient angle next on said meander line; and
- (4) South $10^{\circ} 16' 30''$ East, 429.0 feet to a point; thence South $50^{\circ} 47' 00''$ West, leaving said parallel line, 1553.4 feet to a point; thence South $63^{\circ} 53' 00''$ East, 1710.6 feet, more or less, to a point which is South $8^{\circ} 16' 30''$ West, 38.9 feet from Point Y; thence South $45^{\circ} 52' 30''$ East, 921.3 feet to a point; thence South $31^{\circ} 19' 30''$ East, 780.5 feet, more or less, to the point of intersection of the bisector of the salient angle at Point X and a line which is parallel to and 30 feet distant Westerly from, when measured at right angles to, said meander line; thence Southerly parallel to and 30 feet distant Westerly from said meander line, as follows:

- (1) South $55^{\circ} 04' 30''$ East, 994.8 feet, more or less, to a point on the bisector of the re-entrant angle next on said meander line; and
- (2) South $47^{\circ} 48' 00''$ East, 1315.0 feet, more or less, to a point on the bisector of the salient angle next on said meander line; thence South $49^{\circ} 35' 00''$ East, leaving said parallel line, 899.8 feet, more or less, to a point on the East line of Lot 3 of said Section 12; said point being the Southerly terminus of said Westerly line and being the Northwest corner of a tract of land in Lot 4 of said Section 12, conveyed by Louis W. Soukup and wife, to Weyerhaeuser Timber Company by a deed dated October 7, 1953, recorded in Deed Volume 264 at page 617, Records of Klamath County, Oregon; thence North $00^{\circ} 07' 00''$ East, along said East lot line, 216.00 feet, more or less, to the point of beginning.

PARCEL 7

Government Lots 5 and 6 in Section 36, Township 38 South, Range 7 East of the Willamette Meridian.

PARCEL 8

(a) That portion of Section 31, Township 38 South, Range 8 East of the Willamette Meridian, more particularly described as follows:
That portion of said Section 31, lying South and Westerly of the Southwesterly line of Government Lot 3, East of the East line of Government Lot 5, and North of the South line of said Section 31.

continued

description continued ...

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(b) That portion of Section 6, Township 39 South, Range 8 East of the Willamette Meridian, more particularly described as follows:

That portion of said Section 6, lying South of the North line of said Section 6, West of the Westerly line of Government Lot 1, North of the North line of Government Lot 7 and East of the East line of the NW 1/4 of said Section 6

(c) That portion of Section 7, Township 39 South, Range 8 East of the Willamette Meridian, more particularly described as follows:

That portion of said Section 7, lying South of the South line of Government Lot 6, Westerly of the Westerly line of Government Lot 2 and East of the East line of the SW 1/4 of said Section 7.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Robert Morris

on 26th day of April A. D. 1978 at 1:23 o'clock P. M. on Page 8216

truly recorded in Vol. M78, of Deeds

Wm D. MILNE, County Clerk

By Bernetha J. Ketch

Fee \$36.00