

THIS CONTRACT, Made this 25th day of FAJO, INC., hereinafter called the seller,

and JERRY E. KELLEY and JUNE E. KELLEY, 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:

A tract of land situated in Section 3, T.35 S., R.11 E., of the W.M., in the County of Klamath and State of Oregon described as follows:

Beginning at the Northwest corner of Section 2, T.35 S., R.11 E., of the W.M.; thence South 88°59'04" East along the Northerly line of said Section 2, a distance of 276.30 feet to the centerline of said road the following courses: South 33°06'52" thence along the centerline of said road the following courses: South 33°06'52" West 981.00 feet to a point of curve; thence along said curve to the left, having a radius of 2400.00 feet with a central angle of 09°50'19" a distance of 412.12 feet; thence South 23°16'33" West a distance of 703.05 feet to the true point of beginning of the tract of land herein to be described; thence leaving said centerline, North 88°52'34" West a distance of 1164.47 feet to a point which is South 88°52'34" East along the Southerly line of the Northwest one-quarter of the Northeast one-quarter of said Section 3 a distance of 661.37 feet and South 0°46'36" West a distance of 720.00 feet all from the Southwest corner of the Northwest one-quarter of the Northeast one-quarter of said Section 3; thence South 0°46'36" West a distance of 3652.69 feet to a point on the Southerly line of the Northwest one-quarter of the Southeast one-quarter of said Section 3, which is South 88°50'56" East a distance of 660.35 feet from the Southwest corner thereof; thence South 88°50'56" East along the Southerly line of the Northwest one-quarter of the Southeast one-quarter and the North-east one-quarter of the Southeast one-quarter a distance of 1200.26 feet to an intersection with the centerline of the afore-said road; thence along the centerline of said road the following courses: North 23°55'06" West a distance of 452.92 feet to a point of curve; thence along said curve to the right, having a radius of 1375.00 feet and a central angle of 47°11'39", a distance of 1138.58 feet; thence North 23°16'33" East a distance of 456.06 feet to the true point of beginning.

Subject to the rights of the public in that portion of the above described tract of land lying within the boundaries of public roads.

encumbrances and the title insurance policy mentioned above, in escrow with Mt. Title Company of Klamath Falls, Oregon, and has placed said deed, together with an executed copy of this contract and the title insurance policy, to the order of the buyer, his heirs and assigns, upon the payment of the purchase price and full compliance by the buyer with the terms of this agreement. The buyer agrees to pay the balance of said purchase price and the respective installments thereof, promptly at the times provided therefor, to the said escrow agent for the use and benefit of the seller. The escrow fee of the escrow agent shall be paid by the seller and buyer in equal shares; see title report for other

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 20 days of the time limited therefor, or fail to keep any agreement herein contained, then the seller at his option shall have the following rights: (1) to declare this contract null and void; (2) to declare the whole unpaid principal balance of said purchase price by suit in equity, and in any of such cases, all rights and interest created or then existing in favor of the buyer as of said purchase price by suit in equity, and determine and the right to the possession of the premises above described and all other rights (4) to foreclose this contract by suit in equity, and the right to the possession of the premises above described and all other rights acquired by the seller hereunder shall revert to and vest in compensation for moneys paid on account of said default all payments theretofore made on this contract and without any right of the buyer or such payments as the agreed and reasonable rent of said premises up to the time of such default. And the fully and perfectly as if this contract and belong to said seller as the agreed and reasonable rent of said premises up to the time of such default. And the 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 thereon or thereto belonging. And the buyer further agrees that failure by the seller at any time to require performance by the buyer of any provision hereof shall be held to be a waiver of all his right hereunder to enforce the same, nor shall any waiver by said seller 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 \$13,500.00 (indicate which) (1) The buyer agrees to pay such sum as the trial court may determine to be reasonable as attorney's fees to the order of the buyer, his heirs and assigns, taken from any judgment or decree of such trial court, if 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 enforcing this contract, it is understood that the seller or the buyer may be more than one person or a corporation; that if the contract so requires, the singular shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals. This agreement shall bind the seller, his heirs, successors, administrators, successors in interest and assigns as well.

IN WITNESS WHEREOF, said parties have executed this instrument in triplicate; 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.

FAJO, INC.

By: Edward A. Bohman

Jerry E. Kelley
June E. Kelley

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.

NOTE: The sentence between the symbols () if not applicable, should be deleted; see Oregon Revised Statutes, Section 93.030. (Notarial acknowledgment on reverse).

78 OCT 17 AM 11 38

23205

for the sum of THIRTEEN THOUSAND FIVE HUNDRED & NO/100 - - - Dollars (\$13,500.00)
(hereinafter called the purchase price) on account of which ONE THOUSAND FIVE HUNDRED AND NO/100
Dollars (\$1,500.00) is paid on the execution hereof (the receipt of which
hereby is acknowledged by the seller), and the remainder to be paid at the times and in amounts as follows,
to-wit:

on a land sales contract with payments to be at least \$85.00 per month
including principal and interest. Payoff to be within 10 years of
closing date. Purchaser to pay taxes when due.

All of said purchase price may be paid at any time; all deferred balances shall bear interest at the rate of 8 1/4 per cent per annum from
date monthly until paid, interest to be paid XXXXXXX the minimum reg-
ular payments above required. Taxes on said premises for the current tax year shall be prorated between the parties hereto as of this date.

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 for a business or commercial purposes other than agricultural purposes.

The buyer shall be entitled to possession of said lands on Sept. 1, 1978, 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 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; 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 \$None 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 as soon as insured to the escrow agent hereinafter named. 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 has exhibited unto the buyer a title insurance policy insuring marketable title in and to said premises in the seller; seller's title
has been examined by the buyer and is accepted and approved by him.
Contemporaneously herewith, the seller has executed a good and sufficient deed (the form of which hereby is approved by the buyer) convey-
ing the above described real estate in fee simple unto the buyer, his heirs and assigns, free and clear of incumbrances as of the date hereof, excepting
the easements, building and other restrictions now of record, if any, and see title report for other
encumbrances and has placed said deed, together with an executed copy of this contract
and the title insurance policy mentioned above, in escrow with Mt. Title Company of Klamath Falls, Oregon
escrow agent, with instructions to deliver said deed, together with the fire and title insurance policies, to the order of the buyer, his heirs and assigns,
upon the payment of the purchase price and full compliance by the buyer with the terms of this agreement. The buyer agrees to pay the balance of
said purchase price and the respective installments thereof, promptly at the times provided therefor, to the escrow agent for the use and benefit
of the seller. The escrow fee of the escrow agent shall be paid by the seller and buyer in equal shares; ~~XXXXXXX~~

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 20 days of the time limited therefor, or fail to keep any agreement herein contained,
then the seller at his option shall have the following rights: (1) to declare this contract null and void, (2) to declare the whole unpaid principal bal-
ance of said purchase price with the interest thereon at once due and payable, (3) to withdraw said deed and other documents from escrow and for
(4) 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 be retained by the 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 thereon 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.

This agreement shall bind and inure to the benefit of, as the circumstances may require, not only the immediate parties hereto but their re-
spective heirs, executors, administrators, successors in interest and assigns as well.
The true and actual consideration paid for this transfer, stated in terms of dollars, is \$13,500.00 (indicate which) (1)
In case suit is instituted to foreclose this contract or to enforce any provision hereof, the buyer agrees to pay such sum as the trial court
may find to be reasonable as respective fees to be allowed plaintiff in said suit and if an appeal is taken from any judgment or decree of such trial
court, the buyer further promises to pay such sum as the appellate court shall adjudge to be reasonable as plaintiff's attorney's fees on such appeal.
In executing this contract, it is understood that the seller or the buyer may be more than one person or a corporation; that if the contract 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, not only the immediate parties hereto but their re-
spective heirs, executors, administrators, successors in interest and assigns as well.

IN WITNESS WHEREOF, said parties have executed this instrument in triplicate; if either of the un-
dersigned 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.

TRAJO, INC.

By: Howard A. Bohman

Jerry E. Kelley
Jerry E. Kelley
June E. Kelley

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. 1307 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.

NOTE: The sentence between the sym-
bols (1) if not applicable, should be
deleted; see Oregon Revised Statutes,
Section 92.030. [Notarial acknowledgment
on reverse].

1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 26

23206

FORM No. 8541

STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

BETWEEN

Address

AND

Address

19

Lot Block

Addition

STATE OF OREGON

55

Klamath
County of

I certify that the within instrument was received for record on the 17th day of October, 1978, at 1:38 o'clock A. M., and recorded in book M78 on page 23204 or as filing fee number 56813, Record of Deeds of said County.

Witness my hand and seal of
County affixed.

Wm. D. Milne

Countv Clerk

Title:

R. Smith & Hetch
Deputy.

Fee \$9.00 AFTER RECORDING RETURN TO

Howard C. Polman

11300 N.E. Halsay-Suite 108
Portland, OR 97220

) ss.

County of Madera

Sept. 7, 1978

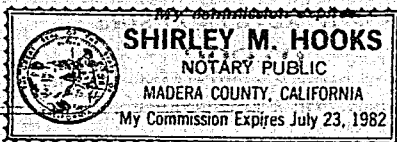
Personally appeared the above named
erry E. Kelley and June E.
Kelly,

..... and acknowledged the foregoing instru-
ment to be.....a.....voluntary act and deed.

Before me:

(SEAL)

Notary Public for California



STATE OF OREGON, County of Multnomah) ss.

August 24 1978

Personally appeared Howard A. Pohrman and _____
 _____, who, being duly sworn,
 for himself and not on for the other, did say that the former is the
 president of ~~XXXXXX XXXXXX XXXXX~~

Fajo, Inc.

Fajo, Inc. 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 be-
half 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:
[Signature]
 Notary Public for Oregon

My commission expires: 11/30/81