

THIS CONTRACT, Made this 26th day of October, 1978, between Stanley W. Clark and Elizabeth A. Clark, husband and wife, hereinafter called the seller, and Alfred J. Pedro, 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:

The South one-half of Lot 4, Block 2, THIRD ADDITION TO ALTAMONT ACRES, 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 1978-1979, due and payable.
2. The premises herein described are within but subject to the statutory powers, including the power of assessment, of Klamath Irrigation District.
3. The premises herein described are within and subject to the statutory powers, including the power of assessment, of South Suburban Sanitary District.
4. Reservations, restrictions and easements as contained in Deed recorded May 28, 1931 in Volume 95, page 369, Deed Records of Klamath County, Oregon, to-wit:

"Subject to any right-of-way heretofore conveyed to the U.S. Government or to any other governmental body for canals, ditches or laterals for irrigation or drainage purposes. Subject, also to any roads, streets and rights-of-way for other purposes now existing. Subject, (For continuation of this document see reverse side of this contract) for the sum of twenty thousand nine hundred and no/100 Dollars (\$20,900.00) (hereinafter called the purchase price), on account of which Two thousand and no/100 Dollars (\$2,000.00) is paid on the execution hereof (the receipt of which is hereby acknowledged by the seller); the buyer agrees to pay the remainder of said purchase price (to-wit: \$ 18,900.00) to the order of the seller in monthly payments of not less than Two hundred ten and no/100 Dollars (\$210.00) each, or more, prepayment without penalty; a lump sum payment of \$1000.00 shall be paid on December 31, 1979, or sooner, payable on the 1st day of each month hereafter beginning with the month of December, 1978, and continuing until said purchase price is fully paid. 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 10 per cent per annum from November 1st, 1978 until paid, interest to be paid monthly and * (in addition to) being included in the minimum monthly 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 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 the organization or use of the buyer in a business or commercial purpose other than agricultural purposes.

The buyer shall be entitled to possession of said lands on closing 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 mechanics' liens 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 of 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 \$ full insurable value.

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-Nees 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-Nees Form No. 1307 or similar.

SELLER'S NAME AND ADDRESS
 BUYER'S NAME AND ADDRESS
 After recording return to:
 MTC
 NAME, ADDRESS, ZIP
 Until a change is requested all tax statements shall be sent to the following address:
 Alfred J. Pedro
 3526 Altamont Dr.
 Klamath Falls, Or. 97601
 NAME, ADDRESS, ZIP

STATE OF OREGON,
 County of
 I certify that the within instrument was received for record on the day of 1978, 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 attixed.
 By Recording Officer 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 the 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 the 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, (3) to withdraw said deed and other documents from escrow and/or (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 terminate and the right to the possession of the premises above described and all other rights acquired by the buyer hereunder shall revert to and vest 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 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.

The true and actual consideration paid for this transfer, stated in terms of dollars, is \$ 20,900.00. However, the actual consideration consists of or includes other property or value given or promised which is the whole consideration - (indicate which) -

In case suit or action is instituted to foreclose this contract or to enforce any provision hereof, the losing party in said suit or action agrees to pay such sum as the trial court may adjudge reasonable as attorney's fees to be allowed the prevailing party in said suit or action and if an appeal is taken from any judgment or decree of such trial court, the losing party further promises to pay such sum as the appellate court shall adjudge reasonable as the prevailing party'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 or a corporation; 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.

This agreement shall bind and inure to the benefit of, as the circumstances may require, not only the immediate parties hereto but their respective heirs, executors, administrators, personal representatives, 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.

Stanley W. Clark
Elizabeth A. Clark
Elizabeth A. Clark

Alfred J. Pedro
Alfred J. Pedro

NOTE - The sentence between the symbols (), if not applicable, should be deleted. See ORS 93.030.

STATE OF OREGON,)
County of Klamath)
October 26, 1978

STATE OF OREGON, County of) ss.
October 26, 1978

Personally appeared the above named
Alfred J. Pedro

Personally appeared _____ and
_____, 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

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

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:
(OFFICIAL SEAL) Judy Bluborn
Notary Public for Oregon
My commission expires 8-23-81

Before me:
Notary Public for Oregon
My commission expires:
(SEAL)

ORS 93.625 (1). All instruments contracting to convey fee title to any real property, at a time more than 12 months from the date that the instrument is executed and the parties are bound, shall be acknowledged, in the manner provided for acknowledgment of deeds, by the conveyor of the title to be conveyed. Such instruments, or a memorandum thereof, shall be recorded by the conveyor not later than 15 days after the instrument is executed and the parties are bound thereby.
ORS 93.990(3) Violation of ORS 93.625 is punishable, upon conviction, by a fine of not more than \$100.

(DESCRIPTION CONTINUED)

also to operation and maintenance charges and liens for water and drainage of the Klamath Irrigation District. The right is also reserved by the grantor to construct and maintain ditches, canals, and pipe lines over, under or across land herein described for the purpose of diverting and delivering water for irrigation and domestic uses to adjoining properties."

5. Real Estate Contract, including the terms and provisions thereof,
Dated : October 24, 1977
Recorded : October 24, 1977
Volume : M77, page 20394, Microfilm Records of Klamath County
Oregon

Vendor : Raymond A. Coulter
Vendee : Stanley W. Clark and Elizabeth A. Clark, husband and wife

The Vendor's interest in said Real Estate Contract was assigned by instrument,
Dated : March 24, 1978
Recorded : March 24, 1978
Volume : M78, page 5601, Microfilm Records of Klamath County, Oregon

To : Certified Mortgage Company, an Oregon corporation
The interest of Certified Mortgage Company, an Oregon corporation, was assigned by instrument,
Dated : March 31, 1978
Recorded : April 4, 1978
Volume : M78, page 6444, Microfilm Records of Klamath County, Oregon
To : Audie Jolliff and Vadie Jolliff, husband and wife,
(See attached Exhibit "A" and by this reference incorporated herein as if fully set forth herein;)

which Buyer herein does not assume and agree to pay, and Sellers further covenant to and with Buyer that the said prior contract 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 contract upon payment of this contract.

SPECIAL PROVISIONS OF THIS CONTRACT:

It is hereby agreed by and between the parties hereto that in the event the above entitled real property is sold prior to July 1, 1986, the Buyer herein agrees to pay this contract in full.

It is further understood and agreed by and between the parties hereto that if any monthly payment is late 10 days, a late charge of \$5.00 will be added to the contract balance upon written request of the Sellers.

It is further hereby agreed by and between the parties hereto that the escrow agent herein is hereby authorized to notify Mr. and Mrs. Stanley W. Clark each month of any late payment by Buyer.

It is further hereby agreed by and between the parties hereto that Buyer agrees to refinance the above entitled property no later than July 1, 1986.

It is further understood and agreed between the parties hereto that Buyer has made an independent investigation and inspection of the premises herein described, and has entered into this contract without relying on any statement or representation or covenant not specifically embodied in this contract, and accepts the property described in this contract "as is" in its present condition, and requires no work of any kind to be done on said property by Sellers.

STATE OF

County of Marion

ss.

FORM NO. 23 — ACKNOWLEDGMENT
STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

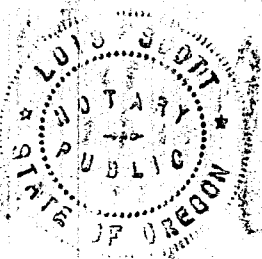
BE IT REMEMBERED That on this 1st day of November, 1978, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Stanley W. Clark and Elizabeth A. Clark, husband and wife,

known to me to be the identical individual S described in and who executed the within instrument and acknowledged to me that they executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

[Signature]
Notary Public for

My Commission expires _____



STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Mountain Title Co.

This 2nd day of November A. D. 1978 at 4:22 clock P M., and

subv. recorded in Vol. M78, of Deeds on Page 24839

Wm D. MILNE, County Clerk

Fee \$9.00

By Bernhard Ketsch

EXHIBIT "A"