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This Agreement, made and entered into this 7th day of September, 1979 by and between

CLOVER M. FALVEY,

hereinafter called the vendor, and

PHILLIP A. HARBIN, JR. and MARGARET L. HARBIN, husband and wife,

hereinafter called the vendee;

WITNESSETH

Vendor agrees to sell to the vendee and the vendee agrees to buy from the vendor all of the following described property situate in Klamath County, State of Oregon, to-wit:

A tract of land situated in the NE¼ of Section 10, Township 41 South, Range 10 East of the Willamette Meridian, more particularly described as follows:

Beginning at a 5/8-inch iron pin on the North line of said Section 10, said pin situated South 89°18'00" East 299.24 feet from the North one-quarter corner of said Section 10; thence South 11°06'10" East 610.36 feet; thence South 09°36'40" East 594.00 feet; thence South 22°57'50" East 814.80 feet; thence South 44°26'40" East 1055 feet, more or less, to the South line of the NE¼ of said Section 10; thence Easterly along said South line 137 feet, more or less, to the Westerly line of the Van Brimmer Ditch; thence Northwesterly along the said Westerly line 2990 feet, more or less, to the North line of said Section 10; thence North 89°18'00" West 250 feet, more or less, to the point of beginning, containing 20.2 acres, more or less; with bearings based on Survey No. 1215, as recorded in the office of the Klamath County Surveyor;

SUBJECT TO: Taxes for the year 1979-1980 which are now a lien but not yet payable; Acreage and use limitations under provisions of United States Statutes and regulations issued thereunder; Rules, regulations, liens, assessments, contracts, rights of way, easements and any and all obligations created or imposed upon or affecting said premises by the Klamath Basin Improvement District, a corporation; Any unpaid charges or assessments of Klamath Basin Improvement District; Liens and assessments of Klamath Project and Klamath Irrigation District, and regulations, easements, contracts, water and irrigation rights in connection therewith; Rights of the public in and to any portion of the herein described premises lying within the limits of any road or highway; Easements and rights of way of record and those apparent on the land, if any; and to a Mortgage to The Federal Land Bank of Spokane, recorded July 12, 1966, in M66, page 7072, Microfilm Records of Klamath County, Oregon, which said Mortgagee vendees herein DO NOT assume, and vendor covenants and agrees to hold them harmless therefrom;

NOTE: The above-described premises are specially assessed as farm land. Taxes for the year 1978-79 and possibly prior years have been deferred pursuant to ORS 308.370 to 308.403. These, plus earned interest, are due and payable when said reason for the deferment no longer exists.

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at and for a price of $ 30,000.00 payable as follows, to-wit:

$ 6,000.00 at the time of the execution of this agreement, the receipt of which is hereby acknowledged; $ 24,000.00 with interest at the rate of 9 6% per annum from September 7, 1979, payable in installments of not less than $ 2,000.00 per year, to inclusive of interest, the first installment to be paid on the 1st day of December, 1980, and a further installment on the 1st day of December thereafter until the full balance and interest are paid. All or any portion of said contract balance can be prepaid without penalty. AFTER January 1, 1981.

Vendee agrees to make said payments promptly on the dates above named to the order of the vendor, at the Klamath First Federal Savings and Loan Association, at Klamath Falls, Oregon; to keep said property at all times in as good condition as the same now are, that no improvement now on or which may hereinafter be placed on said property shall be removed or destroyed before the entire purchase price has been paid

vendee shall pay regularly and seasonably, and before the same shall become subject to interest charges, all taxes, assessments, liens and incumbrances of whatsoever nature and kind

and agrees not to suffer or permit any part of said property to become subject to any taxes, assessments, liens, charges or incumbrances whatsoever having precedence over the rights of the vendor in and to said property. Vendee shall be entitled to the possession of said property immediately.

Vendor will on the execution hereof make and execute in favor of vendee good and sufficient warranty deed conveying a fee simple title to said property free and clear as of this date of all incumbrances whatsoever, except as above stated,

EXCEPT said within-described Mortgage,

which vendee assumes, and will place said deed and purchasers' policy of title insurance,

together with one of these agreements in escrow at the Klamath First Federal Savings and Loan Association, AEA

at Klamath Falls, Oregon

and shall enter into written escrow instruction in form satisfactory to said escrow holder, instructing said holder that when, and if, vendee shall have paid the balance of the purchase price in accordance with the terms and conditions of this contract, said escrow holder shall deliver said instruments to vendee, but that in case of default by vendee said escrow holder shall, on demand, surrender said instruments to vendor.

But in case vendee shall fail to make the payments aforesaid, or any of them, punctually and upon the strict terms and at the times above specified, or fail to keep any of the other terms or conditions of this agreement, time of payment and strict performance being declared to be the essence of this agreement, then vendor shall have the following rights: (1) To foreclose this contract by strict foreclosure in equity; (2) To declare the full unpaid balance immediately due and payable; (3) To specifically enforce the terms of the agreement by suit in equity; (4) To declare this contract null and void, and in any of such cases, except exercise of the right to specifically enforce this agreement by suit in equity, all the right and interest hereby created or then existing in favor of vendee derived under this agreement shall utterly cease and determine, and the premises aforesaid shall revert and revest in vendor without any declaration of forfeiture or act of reentry, and without any other act by vendor to be performed and without any right of vendee of reclamation or compensation for money paid or for improvements made, as absolutely, fully and perfectly as if this agreement had never been made.

Should vendee, while in default, permit the premises to become vacant, Vendor may take possession of same for the purpose of protecting and preserving the property and his security interest therein, and in the event possession is so taken by vendor he shall not be deemed to have waived his right to exercise any of the foregoing rights.

And in case suit or action is instituted to foreclose this contract or to enforce any of the provisions hereof, vendee agrees to pay reasonable cost of title report and title search and such sum as the trial court may adjudge reasonable as attorney's fees to be allowed plaintiff in said suit or action, and if an appeal is taken from any judgment or decree of such trial court, the vendee further promises to pay such sum as the appellate court shall adjudge reasonable as plaintiff's attorney's fees on such appeal.

Vendee further agrees that failure by vendor at any time to require performance by vendee of any provision hereof shall in no way affect vendor's right hereunder to enforce the same, nor shall any waiver by vendor of such 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.

In construing this contract, it is understood that vendor or the vendee 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.

This agreement shall bind and inure to the benefit of, as the circumstances may require, the parties hereto and their respective heirs, executors, administrators and assigns.

Witness the hands of the parties the day and year first herein written.

Clover M. Falvey

Phillip A. Harbin

Margaret L. Harbin

STATE OF OREGON)
County of Klamath) SS September 13, 1979

Personally appeared the above-named Clover M. Falvey and acknowledged the foregoing instrument to be her voluntary act and deed. Before me:

William L. Sisemore
Notary Public for Oregon

(SEAL)

My Commission Expires: oct 8, 1982

Until a change is requested, all tax statements shall be sent to: Phillip A. & Margaret L. Harbin, Box 305, Merrill, Oregon 97633

After recording return to
From the office of
William L. Sisemore
Attorneys at Law

STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 14th day of September A.D., 19 79 at 2:40 o'clock P M., and duly recorded in Vol M79, of Deeds on Page 21939.

FEE $10.50

WM. D. MILNE, County Clerk
By Bernetha Holroth Deputy