

CONTRACT

K. 34992

THIS AGREEMENT made and dated this 22nd day of  
December, 1981, by and between  
GLADYCE BAGINSKI, Seller

and

ELTON G. WILLY and GABRIELA M. WILLY  
husband and wife, Buyer

W I T N E S S E T H, That:

(1) PROPERTY. For and in consideration of the  
payments and covenants to be made and performed by the parties  
respectively as hereinafter provided, Seller agrees to sell  
and convey conditionally, and Buyers agree to purchase and pay  
for the following described real property:

All of Section 15 and the North  $\frac{1}{2}$  of the North  
 $\frac{1}{2}$  and the North  $\frac{1}{2}$  of the Southeast  $\frac{1}{4}$  of the  
Northeast  $\frac{1}{4}$  of Section 22 all in Township 38  
South, Range 11,  $\frac{1}{2}$  East of the Willamette Meridian  
in Klamath County, Oregon.

together with all personal property used in connection therewith  
listed on Exhibit "A" attached hereto and incorporated herein  
by reference.

(2) PURCHASE PRICE. The purchase price for the  
property shall be \$600,000.00 payable as follows:

- a. At the execution of this contract the sum of  
\$100,000.00 the amount of which Seller acknowledges.
- b. Seller shall assign to Buyer his vendee's  
interest in that certain contract wherein Paul J.  
Willard and Mary Lou Willard are Sellers and  
William R. Kendall is Buyer, dated June 4, 1978

Return KCT co.  
# 3816

'82 FEB 2 PM 2 44

and recorded in Volume M78, page 13189, the records of the Klamath County Clerk of Klamath County Oregon. Said contract covering the above described property and having an unpaid balance in the sum of 270,382.28. Buyer acknowledges receiving a copy of said contract and agrees to the terms contained therein.

c. The sum of 229,617.72 which is payable in annual installments of \$ 30,338.00 or more due on or before the 15th day of December of each year beginning December 15, 1982 and continuing until December 15, 2001 when the entire unpaid purchase price and accrued interest thereon shall be paid in full. The unpaid purchase price shall draw interest at the rate of 12% per annum from January 1, 1982 until paid in full. Interest shall be payable at the times of and included in the annual payments. Thereafter Buyer may prepay all or any part of his obligations hereunder.

3. POSSESSION. Buyer shall be entitled to possession of the property on December 22, 1981 and real property taxes shall be prorated as of January 1, 1982 December 22, 1981.

4. TAXES, ASSESSMENTS, INSURANCE AND LIENS. Buyer shall promptly pay all taxes and assessments on the property before delinquency hereof and as each payment is made Buyer shall furnish to Seller a true copy of the tax collectors receipt. Buyer shall keep all improvements on the property insured to their actual cash value against loss by fire, with extended coverage, and shall pay all premiums for the insurance

promptly, and shall cause all policies for the insurance to show loss payable to the parties as their interests may appear. Buyer shall provide Seller with a certificate of evidence in such coverage and shall also deliver to Seller true copies of receipts showing payment of all insurance premiums.

Buyer shall not allow any mechanic's liens or material-man's liens or any other liens or encumbrances whatever superior to Seller's rights to be placed on the property, and if any liens or encumbrances shall be permitted thereon through or under Buyer, he shall immediately cause them to be satisfied and discharged and shall at all times save Sellers and the property harmless from and keep Sellers fully indemnified against loss or any account of any and all taxes on account of any and all liens and encumbrances.

If Buyer fails to pay any taxes, assessments, liens, encumbrances or insurance premiums as provided above, Seller may at its option do so and any payment so made shall be added to and become a part of the principal purchase price and shall bear interest at the rate of 12% per annum without waiver, however, of any right arising to Seller for breach of contract.

(5) FARM TAX DEFERRAL. The property has been approved for special assessment as farm land and as a result thereof enjoys a deferred property tax status. If the deferred tax status should terminate for any reason whatsoever and the deferred taxes then become due and payable, Seller shall now be liable for such deferred taxes unless the termination was caused by or was a result of the acts or omissions of the Seller.

(6) COLLATERAL SECURITY. As additional security for the performance of Buyer's obligations hereunder Seller shall

have the following liens and security interests.

(a) a security interest in all the personal property listed in Exhibit "A"

~~(b) a security interest in all other personal property and accounts receivable if he defaults under the terms of this agreement.~~

*E. W. J. H. W.*

Buyers shall execute all documents necessary to protect Seller's interest herein including mortgages, security agreements and the uniform commercial code financing statements.

(7) TITLE INSURANCE. Within 60 days of the date of closing of this transaction, Seller shall furnish at its cost to Buyer, a policy of title insurance in the amount of the purchase price of the real property in favor of Buyer issued by an authorized company showing marketable title to the property be vested in Seller free from all encumbrances except the encumbrances listed on Exhibit "B" attached hereto and incorporated herein by reference and subject to the usual printed exceptions in such policies and this contract. Seller shall not be required to furnish any further title insurance to Buyer.

(8) WARRANTY DEED AND ESCROW. Seller will on the execution hereof make and execute in favor of Buyer a good and sufficient Warranty Deed conveying a fee simple title to said property free and clear of all encumbrances except those mentioned in paragraph (7) and will place said deed together with one of these agreements and a bill of sale covering all personal property herein in escrow at Klamath County Title, Klamath Falls, Oregon. Seller agrees to make all payments due hereunder promptly on the dates above named to the order of the

the Seller at Klamath County Title, 422 Main Street, Klamath Falls, Oregon.

(9) ASSIGNMENT. Buyer shall not assign this agreement, his rights hereunder or in the property covered hereby without the written consent of the Seller, which will not be unreasonably withheld.

(10) BUYERS USE AND REPAIRS. Buyer shall maintain the property in good condition and repair and shall make no improper use of any part of the property.

(11) BREACH. In case Buyer fails to make the payments due hereunder or any of them punctually and upon the strict terms and at the times specified or fails to keep any of the other terms or conditions of this agreement, or shall fail to make the payments or the terms and conditions of the "Willard Contract" heretofor mentioned, time of payment and strict performance being declared to be the essence of this agreement, then Seller, after giving 30 days written notice to Buyer shall have the following rights: (1) to declare this agreement null and void; or (2) to declare the whole unpaid principal balance of the purchase price, with interest thereon at once due and payable, or (3) to foreclose this agreement by suit in equity; and in the election of (1) above set forth, all the rights and interest hereby created or then existing in favor of Buyer derived under this agreement shall utterly cease and terminate and the property shall revert and revest in Seller, without any declaration of forfeiture or act of re-entry or without any other act by Seller to be performed and without any right of Buyer to reclamation for compensation for money paid or for improvements made as absolutely, fully and perfectly as if this agreement had never been made. The parties are expressly given the right to compel specific

performance on any or all of the covenants herein contained.

(12) REPRESENTATIONS. No representations have been made by Sellers to the Buyer concerning the title to or the condition of the property and the Buyer has made his own independent investigation, to his satisfaction, of such matters and is purchasing the property solely on the basis of that investigation. That all personal property purchased under this agreement is sold "as is" without any warranty either implied or expressed.

(13) COMPLETE AGREEMENT. This document is the entire final and complete agreement of the parties pertaining to the sale and purchase of the within described property and supercedes and replaces all written and oral agreements heretofore made or existing by and between the parties or their representatives.

(14) ATTORNEY'S FEES. In case of any dispute concerning the provisions of this contract or the enforcement thereof, the prevailing parties in such dispute shall be entitled to, and the other parties shall pay, in addition to all costs and disbursements provided by statute, a reasonable attorney's fee. This provision shall apply whether or not suit or action is commenced, and, if suit or action is commenced, shall cover all costs, disbursements and fees incurred by the prevailing parties in all trial and appellate courts.

(15) WAIVER. Buyer agrees that failure by Sellers at any time to require performance by Buyer of any provision hereof shall in no way affect Seller's right hereunder to enforce them, nor shall any waiver by Seller of any breach of any provision hereof be held to be a waiver of any

succeeding breach of that provision or any other provision of this agreement.

(16) INTERPRETATION. The covenants, conditions and terms of this agreement shall extend to and be binding upon and inure to the benefit of the heirs, personal representatives, successors and assigns of the parties.

(17) TAX STATEMENTS, Until a change is requested, all tax statements shall be sent to the following address:

Buyer  
Gen Delivery, Bonanza 97623

Dated: Dec 22-81

Return to KCTO  
3816

Seller:  
Gladysce Baginski  
by Thomas W. Kendall Attorney in Fact  
Gladysce Baginski

Buyer:  
Elton G. Willy  
Elton G. Willy

Gabriela M. Willy  
Gabriela M. Willy  
Gabriela M. Willy

STATE OF OREGON )  
County of Klamath ) ss.

The foregoing instrument was acknowledged before me this 22 day of Dec. by ELTON G. WILLY and GABRIELA M. WILLY.

[Signature]  
NOTARY PUBLIC FOR OREGON  
My commission expires: 4-11-84

STATE OF OREGON )  
County of Klamath ) ss.

The foregoing instrument was acknowledged before me this 22 day of Dec by THOMAS W. KENDALL on behalf of GLADYSCE BAGINSKI.

[Signature]  
NOTARY PUBLIC FOR OREGON  
My commission expires: 4-11-84

## EXHIBIT "A"

- 1 - 1974 International 1206 Tractor - SN 842954
- 1 - 1974 Model 760 International 14-foot offset disc
- 1 - 1974 Model 155 International four bottom 2-way plow with 18-inch bottoms and hydraulic cylinder
- 1 - Model 175 Massey Ferguson tractor
- 1 - 1966 Ford 2-ton truck with stock racks
- 1 - 1972 Ford 1-ton truck
- 1 - Big Ed Ripper (International)
- 1 - John Deere 3-bottom 16-inch plow and disc
- 1 - 1964 International pickup truck
- 1 - Loader for Massey Ferguson tractor
- 1 - diesel fuel tank
- 1 - gasoline fuel tank
- 1 - grain elevator
- 1 - air compressor
- 1 - John Deere hay conditioner
- 1 - New Holland self-powered bailer
- 1 - New Holland Model 907 swather
- 1 - grain drill
- 1 - 12-foot spring tooth harrow
- 1 - Farm Boy equipment trailer
- 1 - 1974 New Moon Mobile home 14' x 60' located west of shop

All irrigation equipment including:

- 7 wheel lines
- 2 hand lines
- 1 main line
- 2 pumps with motors and all other misc. irrigation equipment on ranch

- 1 - 4-wheel Massey Ferguson hay rake
- 1 - Park tank sprayer - 100 gallon capacity
- 1 - Millar arc welder

## Exhibit "B"

1. The assessment roll and the tax roll disclose that the within described premises were specially assessed as farm land. Taxes for the year 1981-82 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.

2. Mortgage, including the terms and provisions thereof, executed by Paul J. Willard and Mary Lou Willard, husband and wife, to the Federal Land Bank of Spokane, a corporation in Spokane, Washington, dated March 28, 1974, recorded April 11, 1974, in Volume M74, page 4472, Mortgage Records of Klamath County, Oregon, to secure the payment of \$90,000.00.

3. Mortgage, including the terms and provisions thereof, executed by Paul J. Willard and Mary Lou Willard, husband and wife, to Stanley M. Peterson and Naomi Janet Peterson, husband and wife, dated April 9, 1974, recorded April 11, 1974, in Volume M74, page 4475, Mortgage Records of Klamath County, Oregon, to secure the payment of \$34,500.00.

By assignment recorded July 21, 1975, in Volume M75, page 8234, Mortgage Records of Klamath County, Oregon, said mortgage was assigned to Klamath Production Credit Association.

4. Sale Agreement, including the terms and provisions thereof, by and between Paul J. Willard and Mary Lou Willard, as sellers, and William R. Kendall as buyer, dated June 14, 1978, recorded June 21, 1978, in volume M78, page 13189, Deed Records of Klamath County, Oregon.

By assignment of contract dated May 15, 1981, recorded May 2, 1981, in Volume M81, page 9177, Deed Records of Klamath County, Oregon, the vendee's interest in said contract was assigned to Robert W. Fisher and Francine Fisher, husband and wife.

5. Financing Statement, including the terms and provisions thereof, given by William R. Kendall to Paul J. Willard and Mary Lou Willard, husband and wife, filed June 21, 1978, as Document No. 50380, Secured Transactions, Records of Klamath County, Oregon

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at ~~Spokane~~ \_\_\_\_\_

this 2 day of Feb. A.D. 19 82 at 2:46 clock P.M., and

duly recorded in Vol. M 82, of Deeds on Page 1333

Fee \$36.00

EVELYN BIEHN, County Clerk

By [Signature]