KNOWN ALL MEN BY THESE PRESENTS, that the undersigned Assignor, for the consideration hereinafter states, has sold and assigned, and hereby does grant, bargain, sell, assign and set over unto

APR 27 1979

٠.,

LEGAL DESCRIPTION:

The East Half of the Southwest Quarter (E-1/2 SW-1/4) and the West Half of the Southeast Quarter (W-1/2 SE-1/4) of Section Twenty-four (24), Township Twenty (20) South, Range Ten (10), East of the Willamette Meridian, Deschutes County, Oregon, EXCEPT that portion described in a deed to Robert T. Morris, etal, recorded April 10, 1969, in Book 164, Page 156, Deed records of Deschutes County, Oregon.

	IN WITNESS WHEREOF, the undersigned Assignor and Assignee have their hands and seals on this 24 day of April 79. Robert L. Morris. Jacqueline M. Morris.	<i>س</i> ر
per o	and largueling M. Mouse voluntary act	9_,
	y commission expires 9-/-79 Notation for Oregon 1197 N.W. ALL BEND OR 9770.	٠,

EXHIBIT "B-2"

Page 1 of 1

C-1325

ESCROW COLLECTION INSTRUCTIONS

219375

•	11170
В	ND TITLE COMPANY
Р	O. Box 752
	ROBERT T. MORRIS AND JACQUELINE M. MORRIS
M: 5	ELLERS:
	Address: WILLIAM H. LAWRENCE AND GERALDINE IREY LAWRENCE
:	BUYERS: WILDIAM N. 22-18-18-18-18-18-18-18-18-18-18-18-18-18-
	Address
POSITE	HEREWITH: PRINCIPALS
	DOCUMENT II
	oteI
	ortgage
	of Cartion
	Entitle Reconveyance
	Request for Partial Reconveyers x
	riginal Tayrence
	Bargain and Sale Deed
	Township Deed
	Other:
	Original Memorandum of
	OF PAYMENTS BY BUYER: \$37,200.00 , to be paid in installments of
	Present principal balance unpaid: \$
	per annum on unpaid 5 July 1, 1982
	First installment due on of before
	and subsequent installments due as follows: on July 150 and subsequent installments due as follows: on July 150 and subsequent installments due as follows: on July 150 and subsequent installments due and payable in full. The principal July 1, 1988 when the full balance is due and payable in full. The principal on July 150 and subsequent installments due as follows: on July 150 and subsequent installments due as follows: on July 150 and subsequent installments due as follows: on July 150 and subsequent installments due as follows: on July 150 and subsequent installments due as follows: on July 150 and subsequent installments due as follows: on July 150 and subsequent installments due as follows: on July 150 and subsequent installments due as follows: on July 150 and subsequent installments due as follows: on July 150 and subsequent installments due and payable in full. The principal on July 150 and subsequent installments due and unpaid, and all on July 150 and subsequent installments due and unpaid and subsequent installments due and unpaid and subsequent installments due and unpaid and subsequent due and s
	or unpaid balance thereof, or any instance
	or unpaid balance thereof, or any installments interest due and unpaid shall draw interest at the rate of 13% per annum after manufacture and unpaid shall draw interest at the rate of 13% per annum after manufacture.
	interest due and unpaid shall draw interest at the rate of the Contract Buyer has the option of making monthly payments of \$365 per Page 1 of the Contract Buyer has the option of making monthly payments, the collection agent shall
• •	Buyer has the option of making monthly payments, the collection agent shal
	At the time the buyer erects notified in writing.
Dic	RESERVITION OF PAYMENTS RECEIVED: est.
טוס	Paduat your collection charge of \$
	of proceeds as follows.
	Robert T. Morris and Jacquetta
	2038 H. W. Vickburg, Bend, Oregon
	Address:
	I Loop No.
	Account No. / Loan No
	OTE: Your escrow set-up fee of \$ is paid herewith by the (Seller/Buyer) by seller
P	OLE: Join Garion and Table 31
	EXHIBIT "B-3" Page 1 of 12

(1) BEND TITLE COMPANY MAKES NO GUARANTEES THAT THE DOCUMENTS HELD HEREWITH IN ESCROW WILL EFFECT CLEAR TITLE. (1) BEND TITLE COMPANY MAKES NO GUARANTEES THAT-THE DOCUMENTS HELD HEREWITH IN ESCROW WILL EFFECT CLEAR TITLE. (2) You are authorized to accept any payments tendered to you to apply upon the above provided installments whether such payments constitute all or only part of any installment and whether or not it or any installment is then in default; but if any installment shall not be paid to you before the expiration of thirty days after due date thereof, you are authorized to surrender to the Sellers upon demand from them, without notice to the Buyers, all documents then in your possession, thereby terminating this escrow. The payment of any installment directly to the Sellers or the existence of any offset counterclaim, or difference between the parties hereto or the acceptance of previous delinquent installments shall not after or limit the terms of these instructions. If payments are made outside of this oscrow collection account, Bend Title Company will only give credit when all parties to the escrow submit in writing evidence of such payments to Bend Title Company along with stallments shall not alter or limit the terms of these instructions. If payments are made outside of this oscrow collection account, Bend Title Company will only give credit when all parties to the escrow submit in writing evidence of such payments to Bend Title Company along with an additional charge of \$5.00 made payable to Bend Title Company because of the necessity to recompute this additional payment.

(3) You are authorized to accept the whole or any part of the then unpaid balance on the above described documents at any time. You will appears apply any payment first to the payment of interest calculated to the date the payment is received on the basis of *1/365th of a year's interest for each day during leap year).

(4) When you have received for the Sellers, payment in full as above provided you will surrender all documents deposited in the escrow collection you have received for the Buyers upon demand; but unless and until you have received payment in full as above provided or the Buyers become into account to the Buyers upon demand; but unless and until you have received documents deposited into the escrow collection default in the manner and to the extent herein before provided, none of the above described documents deposited into the escrow collection account shall be released by you to any person except upon the concurring written directions of all the parties hereto or their successors in account shall be released by you to any person except upon the concurring written directions of all the parties hereto or their successors in default in the manner and to the extent herein before provided, none of the above described documents deposited into the escrow collection account shall be released by you to any person except upon the concurring written directions of all the parties hereto or their successors in interest. When a collection consists of a Note or a Note and a security document, or any release documents, upon payment in full through this account you are authorized and directed to mark said note paid in full and release these documents under the above provisions. It is account you are authorized and directed to mark said note paid in full and release these documents under the death of one of the (5) You are authorized to retain all funds coming into your hands hereunder after you shall have received notice of the death of one of the Sellers until you have received from the surviving Seller and the personal representative of the deceased Seller, joint written instructions for Sellers until you have received from the surviving Seller and the personal representative of the person or persons entitled to receive such the disposition of such funds, or until you shall have been otherwise satisfied of the identity of the person or persons entitled to receive such Sellers until you have received from the surviving Seller and the personal representative of the deceased Seller, joint written instructions for the disposition of such funds, or until you shall have been otherwise satisfied of the identity of the person or persons entitled to receive such funds; and the provisions of this paragraph shall be applicable whether or not the Sellers are husband and wife and whether or not the contract deposited herewith shall create a right of surviorship as between the sellers. tract deposited herewith shall create a right of surviorship as between the sellers.

(6) Notwithstanding anything to the contrary therein appearing, you have no duty to know or determine the performance or nonperformance of any term or condition of any contract or agreement between the parties hereto, and your duties and responsibilities are limited to those of any term or condition of any contract or agreement between the parties hereto, and your duties and responsibilities are limited to those of any term or condition of any contract or agreement between the parties hereto, and your duties and responsibilities are limited to those of the sate (8) Bend Title Company assumes no responsibility for the holding of any fire insurance or other insurance policies in any form.

(9) If a controversy shall arise between the parties hereto or with any third party, you may await the outcome of such controversy by final legal proceedings, or otherwise, as you may deem appropriate, or you may institute such interpleader or other proceedings as you may deem propriate, or you may institute such interpleader or other proceedings as you may deem propriate, or you may institute such interpleader or other proceedings as you may deem propriate, or you may institute such interpleader or other proceedings as you may deem propriate, or you may institute such interpleader or other proceedings as you may deem propriate, or you may institute such interpleader or other proceedings as you may deem propriate, or you may institute such interpleader or other proceedings as you may deem propriate, or you may institute such interpleader or other proceedings as you may deem propriate, or you may institute such interpleader or other proceedings as you may deem propriate, or the parties hereto, you shall be entitled to tion, or in the event of an action to recover your expenses or charges from either or both of the parties hereto, you shall be entitled to reasonable attorneys fees and reimbursement for your expenses.

(10) In addition to the escrow fee paid or agreed upon at the inception of this escrow, the parties hereto jointly and severally agree to pay reasonable compensation for any services not specified in these instructions, and any other sums which become due to you hereunder. In addition to any other remedies you may have, you are hereby given a lien upon all funds, documents and other property held by you hereunder, dition to any other remedies you may have, you are hereby given a lien upon all funds, documents and other property held by you hereunder, dition to any other remedies you may have, you are hereby given a lien upon all funds, documents and other property held by tiend little Company's opinion this collection has become too difficult to administer.

(12) Bend Title Company does not assume any responsibility as to the timeliness of payments received and will not contact the buyer for payment in the event of delinquency. ment in the event of delinquency.

(13) In the event of an adjustment in interest rates by the lender under a mortgage or trust deed, BEND TITLE COMPANY assumes no responsibility for the increase or decrease in payments made without the written instructions from the principals to this escrow collection account.

(14) This agreement is binding upon the heirs, executors, administrators, successors, and assigns of all the parties hereto.

(15) As used in these instructions the words "Sellers", "Buyers", "Transferors", and "Transferees" shall include both the singular and the (16) YOU ARE TO ACT ONLY UPON WRITTEN INSTRUCTIONS FROM THE PRINCIPALS TO THIS COLLECTION ACCOUNT. (17) Any payment in excess of \$500.00 will require a certified check or cashiers check before payment can be processed. plural June hert T. Morris Jacqueline M. Morris Irey Lawrence 2038 H. W. Vicksburg Address > 234 Thement Address_ Bend, Oregon 97701 SS#543-32-553/ day of July, 1981 5)801-723 The above Escrow Instructions received and accepted this_ BY: Tynu Comad

The undersigned Assignees of the Sellers or Buyers do hereby consent to and agree to be bound by the terms of the foregoing escrow instructions.

EXHIBIT "B-3"
Page 2 of 12

Bend Title Company

WARHEN J. PEASE Chairman of the Board CHARLES T. HEMPHILL, JR. President

Date July 8, 1981

Mr. and Mrs. Robert T. Morris 2038 N.W. Vicksburg Bend, OR 97701

RE: New Collection C-1325 Lawrence/Morris.

Thank you for opening your collection account with Bend Title Company. Enclosed please find a copy of the signed and accepted Escrow Collection Instructions for your files. We are now holding the following documents:

Contract, Warranty Deed, Memorandum is being recorded

Per your instructions, the proceeds of payments will be disbursed as follows: to seller at above address

Bend Title Company will regularly furnish a year-end statement to both buyer and seller. Although our present computerized system does not utilize payment booklets, upon your request, we will be happy to mail you a monthly statement following receipt of each payment.

Please feel free to contact me at any time if you have questions regarding your account. Again, thank you for this opportunity to be of service.

BEND TITLE COMPANY

By: Sysin Consol
Escrow Corlections

enclosure

EXHIBIT "B-3" Page 3 of 12

Bend Title Company

P.O. BOX 752 • 1195 N.W WALL STREET BEND, OREGON 97701 • TELEPHONE (503) 389-7711

VARREN J. PEASE Chairman of the Board CHARLEST HEMPHILL, JR.

see Preliminary Title Report

ESCROW OFFICES

335 N.E. Greenwood

Bend, Oregon 97701

Sunriver, Oregon 97701

SUNRIVER BRANCH

Sunriver Mali

389.7941

593-1613

XXGREENWOOD BRANCH ○ SISTERS ESCROW OFFICE 342 S.W. Hood Sisters, Oregon 97759 549-8421/388-1509

13 PEDMOND ESCROW OFFICE 728 W. Highland Redmond, Oregon 97758 548-5055

E 5963 ESCROW NO.

(seller)

64561 MT TITLE NO. .

ESCROW CLOSING STATEMENT FOR:

CLOSING DATE MORRIS, Robert T. and Jacqueline M.

Debits Credits Sales Price \$48,200.00 Contract of Sale, executed by Lawrence \$37,200.00 1980/81 Property Taxes, estimated \$398, paid in full Prorate 5/30 - 7/1/81 (Taxes were paid from escrow file E 6152) 35.02 Commission: \$4,820.00 Bankers Realty, one-half 2,410.00 Robert Morris and Association, one-half 2,410.00 Purchaser's Policy of Title Insurance, rate 141.05 Escrow closing Fee, one-half 74.00 Escrow Collection, Bend Title Co., 1/2 set-up 43.50 Gray, Fancher, Holmes and Hurley, Attorneys One-half attorney fee for document preparation 75.00 Proceeds due to seller 5,881.47 TOTAL \$48,235.02 \$48,235.02 slh EXHIBIT "B-3"

We certify we have delivered copies of this statement to the above parties.

Read, approved and accepted by the undersigned:

Escrow Officer Susan L. Hillesland

Page 4 of 12

CONTRACT OF SALE

THIS AGREEMENT Made this _____ day of May, 1981

BETWEEN: ROBERT T. MORRIS and JACQUELINE M. MORRIS,

husband and wife,

11174

hereinafter called Seller,

AND:

WILLIAM H. LAWRENCE and GERALDINE IREY LAWRENCE,

husband and wife,

hereinafter called Purchaser:

WITNESSETH:

The Seller agrees to sell to Purchaser and Purchaser agrees to purchase that certain land, and all improvements thereon, situated in Deschutes County, State of Oregon, as more fully described on Exhibit "A", attached hereto and by this reference incorporated herein.

PURCHASE PRICE AND TERMS: The purchase price of the property which Purchaser agrees to pay shall be the sum of FORTY-EIGHT THOUSAND TWO HUNDRED AND NO/100 DOLLARS, (\$48,200.00) payable as follows:

- (a) The sum of \$1,000.00 which has previously been paid as earnest money.
- (b) The sum of \$10,000.00 which is paid upon execution hereof.
- (c) The remaining balance of \$37,200.00 shall be paid in monthly installments of not less than \$365.00 provided Purchaser has the option of making annual payments of \$4,380.00 due on or before July 1, 1982 and each year thereafter, including interest at the rate of eleven percent per annum on the unpaid balances, the first of such installments to be paid on the 1st day of July, 1981, and on the 1st day of each and every month thereafter until July 1, 1988, when the full balance of principal and interest shall be due and payable. The principal or unpaid balance thereof, or any installments thereof due and

EXHIBIT "B-3" Page 5 of 12

GRAY, FANCHER, HOLMES & HURLEY
Attorneys at Law
40 N.W. Greenwood Ave. - P. O. Box 1151
Bend, Oregon

-1-

unpaid, and all interest due and unpaid shall draw interest at the rate of thirteen percent (13%) per annum after maturity.

All payments hereunder shall be paid to Seller at such place as Seller may hereafter designate.

INTEREST: Interest on all unpaid balances shall commence on the date of execution.

POSSESSION: Purchaser shall be entitled to possession of the premises on the date of execution.

PREPAYMENT PRIVILEGES: Purchaser shall have the privilege of increasing any monthly payment or prepaying the whole consideration at any time; provided that no additional payments shall be credited as regular future payments nor excuse Purchaser from making the regular monthly payments provided for in this agreement.

TAXES: All taxes levied against the above described property for the current tax year shall be prorated between Seller and Purchaser as of the date of execution. Purchaser agrees to pay when due all taxes which are hereafter levied against the property and all public, private and statutory liens which may be hereafter lawfully imposed upon the premises.

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

EXHIBIT "B-3" -2-Page 6 of 12 GRAY, FANCHER, HOLMES & HURLEY
Attorneys at Law
40 N.W. Greenwood Ave. - P. O. Box 1151
Bend, Oregon

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 thereon and all alterations thereof in good condition and repair. Purchaser shall not otherwise make or cause to be made any improvements or alterations to the property without first obtaining the written consent of Seller, provided, however, such consent shall not be unreasonably withheld.

COVENANTS OF TITLE: Seller covenants that they are the owner of the above described property free of all encumbrances except as set forth herein.

TITLE INSURANCE: Seller shall furnish at their expense a Purchaser's title insurance policy in the amount of \$48,200.00 within thirty (30) days from the date hereof, insuring Purchaser against loss or damage sustained by them by reason of the unmarketability of Seller's title, or liens or encumbrances thereon, excepting matters contained in usual printed exceptions in such title insurance policies, easements, conditions and restrictions of record and encumbrances herein specified, if any.

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

EXHIBIT "B-3" Page 7 of 12

GRAY, FANCHER, HOLMES & HURLEY
Attorneys at Law
40 N.W. Greenwood Ave. - P. O. Box 1151
Bend, Oregon

provided and those placed upon the property or suffered by Purchaser subsequent to the date of this agreement.

REPRESENTATIONS: Purchaser has purchased the property solely upon Purchaser's own inspection and personal knowledge of the premises and opinion of the value thereof, and in its present as is condition, and no promise to alter, repair, or improve said premises has been made by the Seller or

ASSIGNMENT: The Purchaser shall not sell, transfer, by any agent of the Seller. or assign their interest in this contract, or any interest in said real property, without first obtaining the written consent of the Seller. Provided, however, such consent shall not be unreasonably withheld.

DEFAULT: In the event Purchaser shall fail to perform any of the terms of this agreement, time of payment and performance being of the essence, Seller shall, at their 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 revest in Seller Without any act of reentry or without any other act by Seller to be performed, and Purchaser agrees to peaceably surrender said

EXHIBIT "B-3" Page 8 of 12 -4-

GRAY, FANCHER, HOLMES & HURLEY 40 N.W. Greenwood Ave. P. O. Box 1151 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.

- (e) With respect to any part of the property which constitutes personal property in which Seller has a security interest, Seller may exercise the rights and remedies of a secured party as provided by the Uniform Commercial Code.
- (f) Any other rights provided by law.

Purchaser shall not be deemed in default for failure to perform any covenant or condition of this contract, other than the failure to make payment 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 within thirty (30) days after the giving of notice. Notice for this purpose shall be deemed to have been given by the deposit in the mails of a certified letter containing said notice and addressed to Purchaser at their last known address. If Purchaser shall fail to make payment as herein provided and said failure shall continue for more than ten (10) 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 said default.

WAIVER: No waiver of a breach of any covenant, term, or condition of this agreement shall be a waiver of any other or subsequent breach of the same or any other covenant, term, or condition or as a waiver of the covenant, term, or condition itself.

SUCCESSOR INTERESTS: The covenant, conditions and terms of this agreement shall extend to and be binding upon and inure to the benefit of the heirs, personal representatives and assigns of the parties hereto.

LITIGATION FEES AND EXPENSES: In the event suit or action is instituted to enforce any of the terms or conditions of this agreement, the losing party shall pay to the prevailing party, in addition to the costs and disbursements allowed by statute, such sum as the court may adjudge reasonable as attorney fees in such suit or action, in both trial court and appellate courts.

If this contract is placed in the hands of an attorney for collection, Purchaser promises to pay the reasonable attorney's fees and expenses of such attorney or agent even though no suit or action is commenced to collect this contract.

INTERPRETATION: As used in this contract, it is understood that the Seller or the Purchaser may be less than two persons; that if the context so requires, the plural pronoun shall be taken to mean and include the singular, 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 an individual.

IN WITNESS WHEREOF, The parties hereth have executed this agreement the day and year first above written.

EXHIBIT "B-3" Page 10 of 12

GRAY, FANCHER, HOLMES & HURLEY
Attorneys at Law
40 N.W. Greenwood Ave. - P. O. Box 1151
Bend, Oregon

A parcel of land situated in the Southwest Quarter of Section Twenty-four (24), Township Twenty (20) South, Range Ten (10) East of the Willamette Meridian, Deschutes County, Oregon, more particularly described as follows: Beginning at the West 1/4 corner of said Section 24; thence along the northerly line of the Southwest Quarter South 89° 43! 37" East 1331.64 feet to the true point of beginning; thence along the arc of a 120.00 foot radius curve to the right, whose central angle is 25° 50' 31", a distance of 54.12 feet to a point of reverse curvature; thence along the arc of a 180.00 foot radius curve to the left, whose central angle is 25° 50' 31", a distance of 81.18 feet; thence South 89° 43' 37" East 366.12 feet; thence South 00° 15' 09" East 692.62 feet; thence South 47° 12' 59" West 356.58 feet to the centerline of the Deschutes River; thence along the centerline of said river North 57° 32' 32" West 292.75 feet; thence leaving said river North 00° 37' 54" East 810.12 feet to the true point of beginning.

- 1. The rights of the public, if any, in and to that portion of said premises lying below the ordinary high water line of the Deschutes River;
- The existence of roads, railroads, irrigation ditches and canals, telephone, telegraph and power transmission facilities.

EXHIBIT "B-3" Page 11 of 12

> EXHIBIT A LAWRENCE

GRAY, FANCHER, HOLMES & HURLEY ATTORNEYS AT LAW 40 N.W. BREENWOOD BEND, DREGON 97701

11181 SELLER: ROBERT T. MORRIS PURCHASER:

STATE OF OREGON, County of Deschutes:

The foregoing instrument was acknowledged before me day of May, 1981, by ROBERT T. MORRIS and JACQUELINE guns M. MORRIS.

> My Commission Expires: MACHTERA

MICHIGAL

5021

STATE OF XREGING County of MEECHXEES: ss.

The foregoing instrument was acknowledged before me day of May, 1981, by WIALIAM H. LAWRENCE and GERALDINE IREY LAWRENCE.

NOTARY PUBLIC FOR GREGON MICHIGAN

My Commission Expires: ___ PHIL R. LOVE

Notary Public, Washtenaw County, Michigan My Commission Expires November 1, 1983

PLEASE SIGN AND ACKNOWLEDGE THIS INSTRUMENT BEFORE A NOTARY PUBLIC

SIGN YOUR NAME EXACTLY AS IT. APPEARS ON THIS DOCUMENT EXHIBIT "B-3" Page 12 of 12

ELES & HURLEY

P. O. Box 1151

THIS FORM FURNISHED BY BEND TITLE COMPAN

Do Not Destroy This Original Note: When paid, said Original Note, together with the Deed of Trust security, same, must be surrendered to Trustee for Cancellation and retention before reconveyance will be made.

NOTE SECURED BY DEED OF TRUST (STRAIGHT NOTE)

6 63,350,00	Ven Nuys,	, California, <u>April</u>	1 26, 1972
ON OR BEFORE MAY 1, 1982	/ bl/et/dd/b, i	or value received, I p	romise to pay to
PRUDENTIAL PROPERTY FLA	NNING, INC., A Califor	nia Corporation	
			, or order,
at 5430 Van News Blvd. Suite	212 Van Nuys, Cali	Fornia 91401	
the sum of EIGHTY THREE THOUSAN	D THREE HUNDRED FIFTY	AND NO/100	DOLLARS,
with interest fromDATE_END	ORSED HEREON	until pa	id, at the rate of
seven (7%) per cent per annum, to commence June 19, 19	72.		
Doed of Trust securing this thereof marked exhibit A c	ote contains rider at consisting of two (2)	rached thereto and pages.	made a part
Should interest not be so paid it shall to compounded shall not exceed an amount permitted by law. Should default be mad terest shall become immediately due at lawful money of the United States. If a may fix as attorney's fees. This note is PANY, e. Califo, wa corporation, as Trus	hereafter bear like interest as equal to simple interest on ie in payment of interest whe the option of the holder of the thom be instituted on this no secured by Deed of Trust to	the principal, but such the unpaid principal at a a due the whole sum of his note. Principal and i the I promise to pay such	unpaid interest so the maximum rate t principal and in- nterest payable in sum os the Court
	PAIM	PLAZA, LTD. A Lim	ited Partnership
	BY://	Walter L. Schwart	z, General Partner

TO 416 CA (11-68)

THIS FORM FURNISHED BY TITLE INSURANCE AND TRUST COMPANY DO NOT DESTROY THIS NOTE



EXHIBIT "B-4" Page 1 of 2 FOR VALUE RECEIVED, WE, PRUDENTIAL PROPERTY PLANNING, INC., a California Corporation, do hereby transfer and assign to ALFRED J. SIEGMETH and VIOLET K. SIEGMETH, husband and wife, an undivided 3% interest; H. F. GRISWOLD and Mary JAME CRISWOLD, husband and wife, an undivided 0% interest; ROBERT O. BARTH, an undivided 15% torcrest; LANCES T. McMAHON, an undivided 3% interest; ETHEL C. MacGILLIVEAL, Trustee, an undivided 4.5% interest; WILLIAM H. CHRISTOFFERS and MARY K. CHRISTOFFERS, husband and wife, an undivided 3% interest; NATHAN E. MARTIN, an endivided 6% interest; ANTON SALEM and COLLEEN SALEM, husband and wife, an undivided 3% interest; COSIPH J. CHIGLIA and ELIZABETH B. GHIGLIA, husband and wife, an undivided 2% interest; FRANCES B. D'AMORE, an undivided 1.3% interest; MOREMAN H. BRAULIEU and MARGARET B. BEAULIEU, husband and wife, an undivided 2% interest; RICHARD F. McCLAIN and CATHERINE I. McCLAIN, husband and wife, an undivided 4% interest; STANLEY SLOMAN, an undivided 1.3% interest; EDWARD Y. ORRAHIG and ILA A. GERDING, husband and wife, an undivided 2% interest; STIMET H. PARKER, an undivided 4.5% interest; ROBERT T. MURRIS and JACQUELINE M. MORRIS, husband and wife, an undivided 21.2% interest; and DONALD F. MICKHAN and KATHLEEN WICKHAM, husband and wife, an undivided 21.2% interest, all our right, title and interest in and to the within Note and Trust Deed securing same without recourse.

DATED: June 5, 1972

PRUDENTIAL PROPERTY PLANNING, LUC.,
A California Corresponding
By: / Morris
By: / Morris
Donald F. Wickham

EXHIBIT "B-4" Page 2 of 2

THIS TRUST DEED, made this	ITH day of	<u> </u>	numerahi
SKYLLIM INVESTORS, WARE			11101
as Grantor, Ray Babb			as Trustee. 4r
Robert Morris and Associat	es	••••••	
as Beneficiary,			

WITNESSETH:

Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property in DESCHUTES County, Oregon, described as:

The West Half(W-1/2) of Lot Eight (8) and all of Lots Nine (9), Ten (10), Eleven (11) and the East Eleven(11) feet of Lot Twelve (12), in Block Twenty-Nine (29), of the FIRST ADDITION TO KENWOOD, DESCHUTES, COUNTY, OREGON.



together with all and singular the tenements, hereditaments and appurtenances and all other rights thereunto belonging or in any wise now or hereafter appertaining, and the rents, issues and profits thereof and all fixtures now or hereafter attached to or used in connection with said real estate.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the

sum of THIRTY...THOUSAND...AND...NO/100------

Dollars, with interest thereon according to the terms of a promissory note of even date herewith, payable to beneficiary or order and made by grantor, the linal payment of principal and interest hereof. If

herein, shall become immediately due and payable.

The above described real property is not currently used for agricult To protect the security of this trust deed, grantor agrees:

1. To protect, preserve and maintain said property in good condition and repair; not to remove or demolish any building or improvement thereon; not to commit or permit any waste of said property.

2. To complete or restore promptly and in good and workmanlike manner any building or improvement which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred therefor.

3. To comply with all laws, ordinances, regulations, covenants, continuously maintain pursuant to the Uniform Commercial Code as the beneficiary may require and tool of all lien searches made by thing officers or searching agencies as may be deemed desirable by the beneficiary.

4. To provide and continuously maintain insurance on the buildings now or hereafter served on the said premises against loss or damage by lire and such other heards as the beneficiary may invalid in time require, in an amount octes than \$1.000 or the beneficiary as soon as insured; if the grant shall sail for any reason to procure any such insurance and to delivered in the beneficiary as soon as insured; if the grant shall sail for any reason to procure any such insurance and to delivered in the beneficiary as soon as insured; if the grant shall sail for any reason to procure any such insurance and to deliver said policies to the beneficiary at least filteen days prior to the expiration of any policy of insurance row or hereafter placed on said buildings, if the presence of the said property before any part thereof, may be released to grantor. Such application or release shall not out or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

5. To keep said premises less that may be levied or assessed upon or fagainst said property before any part of such taxes, assessments and other charges become past due or delinquent a

constitute a breach of this trust deed.

6. To pay all costs, lees and expenses of this trust including the cost of title search as well as the other costs and expenses of the trustee incurred in connection with or in enforcing this obligation and trustee's and attorney's lees actually incurred.

7. To appear in and defend any action or proceeding purporting to allect the security rights or powers of beneficiary or trustee; and in any suit action or proceeding in which the beneficiary or trustee may appear, including any suit for the foreclosure of this deed, to pay all costs and expense, including evidence of title and the beneficiary's or trustee's afterpristees; the amount of attorney's lees mentioned in this paragraph 7 in all cases shall be amount of attorney's lees mentioned in this paragraph 7 in all cases shall be itself by the trial court, grantor further agrees to pay such sum as the appellate court shall adjudge reasonable as the beneficiary's or trustee's aftorney's less on such appeal.

It is mutually agreed that:

8. In the event that any portion or all of said property shall be taken under the right of eminent domain or condemnation, beneficiary's shall have the right, if it so elects, to require that all or any portion of the monies payable as compensation for such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorney's lees necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary and applied by it limit upon any reasonable costs and expenses and attorney's lees, both in the trial and appellate courts, necessarily paid or incurred by frantor agreement for the payment of this deed and the note for endorsement (in case of full reconveyances, for cancellation), without affections and execute such instruments as shall be necessary in obtaining such compensation, promptly upon beneficiary's request.

9. At any time and from time to time upon written request of beneficiary and presentation of this deed and the note for en

(a) consent to the making of any map or plat of said property; (b) yen in granting any easement or creating any restriction thereon; (c) non in any subordination or other agreement affecting this deed or the lien or charge thereof; (d) reconvey, without warranty, all or any part of the property Therefore, and the recitals there in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals there in d any matters or bees some legally entitled thereto, and the recitals there in d any matters or bees some legally entitled thereto, and the truthfulness thereof. Trustee's less for any of the services mentioned in this paragraph shall be not less than \$5.

10. Upon any default by grantor hereunder, beneficiary may at any time without notice, either in person, by agent at his a receiver to be appointed by a court, and without refard to the adequace of any securety. It is indebtedness hereby secured, enter upon and take passession of said propriety or any part thereof, in its own name sue or otherwise callect the rentisery of the same less costs and expenses of operation and collection, including teasonable store new feet upon any indebtedness secured hereby, and in such order as hencefliciary may determine.

11. The enfering upon and taking possession of said propriety the insurance policies or compensation or awards for any taking or damage of the property, and the application or release thereof as almostad, shall not set we waive any default or notice of default herounder or invalidate any act design pursuant to such notice.

pursuant to such notice of default hereunder or meaningly shall not such pursuant to such notice.

12. Upon default by grantor in payment of any indebtedness seem hereby or in his performance of any agreement hereunder, the beneficiary as declare all sums secured hereby immediately due and payable. In such event the beneficiary at his election may proceed to foreclose this trust did in equity as a mortgage or direct the trustee to foreclose this trust died advertisement and sale. In the latter event the beneficiary or the trustee to selecte and cause to be recorded his written notice of default and his election sell the said described real property to satisfy the obligations secure hereby, whereupon the trustee shall lix the time and place of sale. Ever not thereof as then required by law and proceed to foreclose this trust dead the manner provided in ORS 36.740 to 36.795.

13. Should the beneficiary elect to foreclose by advertisement and a trustee of the trustee's sale, the grantor or other person so privileged ORS 86.760, may pay to the beneficiary or his successors in interest, terfively, the entire amount then due under the terms of the total decid and obligation secured thereby (including costs and expenses actually incurred enforcing the terms of the obligation and trustee's and attorney's lees not eciding the amounts provided by law) other than such portion of the propal and the red of the foreign and would not then be due had no default occurred, and thereby of the default, in which event all lovelosure proceedings shall be discussed the terms.

the detault, in which event all torsciosure proceedings shall be distinsed the trustee.

14. Otherwise, the sale shall be held on the date and at the time is place designated in the notice of sale or the time to which said sale in the postponed as provided by law. The trustee may sell said respects with in one purcel or in separate parcels and shall sell the parcel or sacrification to the highest bidder for cash, payable at the time of sair. The shall deliver to the purchaser its deed in form at required by law convert he property so sold, but without any covenant or warranty, express or plied. The recitals in the deed of any matters of fact shall be conclusive profile. The recitals in the deed of any matters of fact shall be conclusive that the frantier and beneficiary, may purchase at the sale.

15. When trustee sells pursuant to the powers provided herein, trustabil apply the proceeds of sale to payment of \$\xi\$1) the expenses of sale. Cluding the compensation of the trustee and a reasonable chaigh by trustationey, (2) to the obligation secured by the trust deed, (3) to all pershaving recorded liens subsequent to the interest of the trustee in the tided as their interests may appear in the order of their priority and \$\xi\$2 surplus.

surplus.

16. For any reason permitted by law beneficiary may from time appoint a successor or successors to any trustee named herein or successor trustee appointed hereunder. Upon such appointment, and we conveyance to the successor trustee, the latter shall be visted with all powers and duties confirred upon any trustee herein named or appointment and substitution shall be made by whereinstrument executed by beneficiary, containing reference to this trust and its place of record, which, when recorded in the office of the Collekt or Recorder of the country or countries in which the projects is arts shall be conclusive proof of proper appointment of the successor struster.

shall be conclusive proof of proper appointment of the successe itsister.

17. Trustee accepts this trust when this deed, duly executed acknowledged is made a public record as provided by law Trustee in obligated to notify any party hereto of perming sale under any other defents of the properties of the properties of the properties of the party unless such action or proceeding in which granton, beneficiary or it shall be a party unless such action or proceeding is brought by trustee.

EXHIBIT "B-5" Page .l of 5

NOTE: The Trust Deed Act provides that the trustee hereunder must be either an attainey, who is an active member of the Oregon State Bar. a bank, trust con or savings and loan association authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to insure title 12 property of this state, its subsidiaries, affiliates, agents or branches, the United States or any agency thereof, or an excrow agent licensed under ORS 696 505 to 656

THE RESERVED THE PROPERTY OF THE PERSON OF T

SOUNTS SOME NOTE

\$30,000.00

Rend, Oregon

July 17, 97.

FOR VALLE BUT AVER, I promise to pay Robert Morris and Associates, or order, at Bond, Gregon, Thirty Thousand and Novice bullars in lawful money of the United States of America, "Late interest instead, in like lawful money, in the amounts following, to-wit:

(a) A payment of interest only on July 1, 1978 on the unpaid note balance. Interest will comments on July 1, 977. The interest rate will be fen(10) percent per annum on the unpaidnote balance from July 11,1977 to July1, 1985.

If any of said installments be not so paid, said whole sum of both principal and interest shall become immediatelydus and collectible, at the option of the holder of this note. And in case suit or action or an appealfrom any suitor action to instituted to collect this note, or any parthereof, I promise to pay such additional sum of money as the court may adjudge reasonable as an attorney's fee in such suit or action. In the event this note is referred to anothereof at law for collection? further agree to pay such reasonable attorney's fees as the holder hereof may incur to any attorney in the collection hereof or any part hereof even if no coll or action be instituted bereon.

RUBERT T. MORRIS
GENERAL PARTNER
SKYLLINE INVESTORS OREG. 1.TD.

16836

STATE OF OREGOTA

Country of Deschutes
I hereby certify that the within instrument of writing was received for Reserve
the 7 day of Jan AD. 10 8/
at 4:55 o'clock f M., and recorded
in Book 365 on Page 952 Records
of Mentagas

ROSEMARY PATTERSON

Country Clerk

By Rhada Lang Deputy

EXHIBIT "B-5" Page 2 of 5

ASSIGNMENT

I, ROBERT T. MORRIS, for good and valuable consideration, hereby assign to PATRICK J. OLIVER all my right, title and interest as a general partner in that certain Oregon Limited Partnership known as SKYLINE INVESTORS OREGON LIMITED.

DATED this 5th day of bour

1981.

ROBERT T. MORRIS

STATE OF OREGON

ss

County of Deschutes

Personally appeared before me the above-named ROBERT T. MORRIS, and acknowledged the foregoing instrument to be his voluntary act. Before me:

SUSON M. MELVIN NOTARY PUBLIC – OREGON My Commission Expires 8-9-83

Notary Public for Oregon My Commission expires:

on 8-9-83

EXHIBIT "B-5" Page 3 of 5

ASSIGNMENT

I, PATRICK J. OLIVER, for good and valuable consideration, hereby assign to ROBERT T. MORRIS all my right, title and interest as a general partner in that certain Oregon Limited Partnership known as BURNING TREE INVESTORS OREGON LIMITED.

DATED this 3th day of forces , 1981, 1977

PATRICK J. OLIVER

STATE OF OREGON

County of Deschutes

SS

Personally appeared before me the above-named PATRICK J. OLIVER, and acknowledged the foregoing instrument to be his voluntary act. Before me:

SUSAN M. MELVIN
NOTARY PUBLIC — OREGON

My Commission Expires 5-1-83

Notary Public for Oregon

My Commission expires: 5

EXHIBIT "B-5" Page 4 of 5 \$ 30.000.00... Bend, Or. July 11 , 19 77 * See Below after date, I (or if more than one maker) we jointly and severally promise to pay to the order of . Patrick J. Oliver (54%) Robert T. Morris (36%) mand James P. French (10%) at 447 NE Greenwood, Bend, Oregon Thirty Thousand Dollars DOLLARS. with interest thereon at the rate of 10% per annum from date until paid; interest to be paid annually. and it not so paid, all principal and interest, at the option of the holder of this note, to become immediately due and collectible. Any part hereof may be paid at any time. If this note is placed in the hands of an attorney for collection, I we promise and agree to pay holder's reasonable attorney's fees and collection costs, even though no suit or action is filed hereon; if a suit or an action is tiled, the amount of such reasonable attorney's fees shall be fixed by the squit or courts in which the suit or action, including any anneal therein, is tried, heard or decided.

Skyline, Typgstors, Oreg. Ltd. * Interest only due July 1st of Principal due when each year. Skyline Apartments at 11th & Roanoke, Bend, Or. are resold.

FOLM No. 216-PLOMISSORY HOTE.

TB STEVENS-NESS LAW PUB CO., FORTLAND

EXHIBIT "B-5" Page 5 of 5

STEVENS-NESS LAW PUB. GO., PORTLAND, ORE with interest thereon at the rate of \$\frac{1}{2} = \frac{7}{6} \tag{1} = \frac{1}{2} \frac{1}{2} \text{BO} \text{ at \$\frac{7}{6} \text{DO}} \text{DEL mo.} until paid; interest to be paid all principal and interest, at the option of this note; to become immediately due and collectible. Any part hereof may be paid at any time. If this note is placed in the hands of an attorney for collection, I live an action is directly an action is filed, the amount of such reasonable attorney's tess and collection seeds, even though no suit or action is filed hereon an action is a suit or efflored in the suit of the collection of such reasonable attorney's less shall be lixed by the collection of the suit or efflored in the suit or efflored.after date, I (or it more than one maker) we jointly and at 447 N.E. Greenwood, Bend, OR 97701 September 1 severally promise to pay to the order ofRobert Morris and Associates. e to principal and interest due on Any prepayment of principal balance to Round Lake Estates, LTD. shall be ap-

\$ 26,250.00

..., 19.78...

EXHIBIT "B-6" Page 1 of 1

FORM No. 216 PROMISSORY NOTE.

this note. plied

Bend Title Company

BEND, OREGON 97701 • TELEPHONE (503) 389-7711

WARREN J. PEASE Chairman of the Board CHARLES T. HEMPHILL, JR. President

P.O. BOX 752 • 1195 N.W WALL STREET 389-7941

GREENWOOD BRANCH 335 N.E. Greenwood Bend, Oregon 97701

17 SUNRIVER BRANCH Sunriver Mali Sunriver, Oregon 97701 593-1613

: SISTERS ESCROW OFFICE 342 S.W. Hood Sisters, Oregon 97759 549-8421/388-1509

11 REDMOND ESCROW OFFICE 728 W. Highland Redmond, Oregon 97756 548-5055

LEGAL: Crook County, Oregon.

E-6365 and E-6365 A ESCROW NO. ___ TITLENO. ____35855 Crook Co.

ESCROW OFFICES:

ESCROW CLOSING STATEM	MENT FOR: BEAR CREEK RANCH, LTD.	CLOSING DATE	
			March 8, 1982
	Seller	Debits	T
		Deoits	Credits
CROOK COUNTY PR	OPERTY:		
Sales Price			1
		\$	\$135,000.0
Contract balance	e (w/adjustment due to equity differenc	e) 108,615.33	
1981-82 taxes ov	wing (\$56 63)		
Interest to 3	3/15/82	56.63	
Pro-rated 1/1	15/82 to 7/1/82	.94	
Hunting lease	20 201 1 (400 - 11)		25.9
(rent pro-rates	To-rated (\$675.00) 1/15/82 to 10/1/82 \$650.00 less hunting lease pro-rate \$47		
		79.25) 170.75	
\$6,750.00 to	Farnsworth & Vogt (\$2,743.13 on Note)		
		4,006.87	
Title Insurance:	Purhcaser's policy	477.50	
Recording fees:		411.50	
Deed (Morris	to Bear Creek)		
		12.00	
Escrow fee to]	Bend Title Company		
		150.00	
Escrow Collection	n set-up fee to Bend Title Co.(Norquist	88.75	
rectom cottection	n set-up fee to Bend Title Co.(Norquist n set-up fee to Bend Title Co.(Lanier)	62.50	
	Lovlien (Paid outside escrow)	02.70	
Note and Trust De	eed (unrecorded) from Norquist	21,384.67	
an construction and a second to the con-		,500	
PETITIONER'S	· · · · · · · · · · · · · · · · · · ·		
EXHIBIT	TOTAL:	\$135,025.94	\$135,025.94
35	EXHIBIT "B-7"		9 1 22,023.94
WX RX	Page 1 of 11		1
rtify we have delivered c	opping of		
atement to the above par	Read, approved and accept	ad bush and	

this statement to the above parties.

Read, approved and accepted by the undersigned:

Certified Escrow Officer

Dawn L. Lillis

and the second s

Longs of the state of the state

CONTRACT OF SALE

THIS AGREEMENT made this // day of January, 1982

BETWEEN: Bear Creek Ranch, Ltd., a

limited partnership,

TO BE TO BE SOMETIME WITH HE WAS A CONTRACT OF THE CONTRACT OF hereinafter called Seller.

WAYNE J. NORDOUIST and JANICE J. NORDOUIST, NORQUIST AND:

husband and wife, and dba Wayne J. Nordquist & Assoc.

Norquist

hereinafter called Purchaser: Disty Applenate, Robert Marcas and

WITNESSETHE

The Seller agrees to sell to Purchaser and Purchaser er fan it. Dit kom talling i de skrivet og syktyter kræget eggeler og skrivet i en og e agrees to purchase that certain land, and all improvements thereon, situated in Crook County, State of Oregon, described as follows: and

IN TOWNSHIP 17 SOUTH, RANGE 17 EAST OF THE

WILLAMETTE MERIDIAN: A Property of

Section 29: All.

Section 29: All.
Section 30: El/2NE1/4 and all that portion of Lots 2, 3 and 4, El/2Wl/2 and SEl/4 section 29: All. lying North and East of Bear Creek Road (also known as Route #27) as now Rook

located and constructed.

Section 31: All that portion of the N1/2NE1/4 lying North and East of Bear Creek Road (also known as Route #27) as now located and constructed.

Section 32: That portion of the NW1/4. NW1/4NE1/4. SW1/4NE1/4, SE1/4NE1/4 and NE1/4SE1/4 lying North and East of Bear Creek Road (also known as Route #27) as now located and constructed.

Section 33: All that portion of the W1/2SW1/4 lying North and East of Bear Creek Road (also known as Route #27) as now located and constructed.

EXHIBIT "B~7" Page 2 of 11

ETITIONER'S

EXHIBIT

SUBJECT TO:

1. Reservations contained in Patents from the United States of America and Deeds from the State of Oregon.

Company of the Compan

Existing rights of way for roads, highways, irrigation ditches, canals and pole lines.

GRAY, FANCHER, HOLMES & HURLEY Attorneys at Law 40 N.W. Greenwood Ave. - P. O. Box 1151 Bend, Oragon



-1-

- 3. Easements granted to Central Electric Cooperative, Inc., as recorded in Book 86 of Deeds at page 299, and in Deeds No. 27580, Records of Crook County, Oregon.
- 4. Reservation of an undivided 1/2 interest in all mineral rights and mines as set out in deed from Claude C. Dunham et al to Marry B. Gouldin and wife, dated August 8, 1949 and recorded August 16, 1949 in Book 62 of Deeds at page 514, Records of Crook County, Oregon.
- 5. A Lease Agreement from A. D. Devore and Henrictta Devore, husband and wife, to Harold Burch, Robert Johnson, Martin Gray, James Franey, Delane Smith, Allen Maxwell, Rex McKnight, Rusty Applegate, Robert Malott and Forest Garrigus, Jr., dated October 1, 1966 and recorded January 2, 1969 in Book 7 of Miscellaneous Records, at page 291, Records of Crook County, Oregon, together with the following assignments thereof:
- a. Assignment of their interest in said lease from Rex McKnight, Rusty Applegate, Harold Burch and Martin Gray to LeRoy Meierotto, Kenneth Rutherford, Roland Franey and Robert Morton, dated October 1, 1966 and recorded January 2, 1969 in Book 7 Miscellaneous Records at page 205, Records of Crook County, Oregon.
- b. Assignment of said Lease from A. D. Devore and Mary Henrietta Devore, husband and wife, to Robert T. Morris and Jacqueline M. Morris, husband and wife, dated December 2, 1968 and recorded February 18, 1969 in Book of Deeds at page 520, Records of Crook County, Oregon.
- c. Assignment of said Lease from Robert T. Morris and Jacqueline M. Morris, husband and wife, to Gerald E. Lanier and Jeanniene A. Lanier, husband and wife, dated December 30, 1977 and recorded Janaury 31, 1978 in Deeds No. 44462, Records of Crook County, Oregon.
- 6. An Agreement, including the terms and provisions thereof, between Gerald E. Lanier and Jeanniene A. Lanier, husband and wife, and Bear Crook Ranch, Ltd., a limited partnership, dated December 30, 1977 and recorded January 11, 1978 in Deeds No. 44209, Records of Crook County, Oregon.
- 7. As disclosed by the tax roll, the premises herein described have been zoned or classified for farm use. At any time that said land is disqualified for such use, the property will be subject to additional taxes or penalties and interest.
- 8. Road and Utility Easement for road and public utility purposes as set out in document from Bear Creek Ltd., a

EXHIBIT "B-7" Page 3 of 11

GRAY, FANCHER, HOLMES & HURLEY
Attorneys at Law
40 N.W. Greenwood Ave. - P. O. Box 1151
Bend, Oregon

California limited partnership dated June 11, 1980 and recorded June 11, 1980 in Deeds No. 56000, Records of Crook County, Oregon.

PURCHASE PRICE AND TERMS: The purchase price of the property which Purchaser agrees to pay shall be the sum of ONE HUNDRED THIRTY-FIVE THOUSAND AND NO/100----DOLLARS, (\$135,000) payable as follows:

- (a) The sum of \$100, which has previously been paid as earnest money.
- (b) The sum of \$4,900 which is paid upon execution hereof and the equity in cortain real property located in Walla Walla County, Washington, the deed to: which has been delivered classificationally herewith, which equity is hereby valued at \$25,00000 21,386.67.
- (c) The remaining balance of \$100,01733 shall 201. be paid in quarterly installments commencing March 31. 1982 and quarterly thereafter of \$2000 for two years (2). Commencing March 31, 1984 quarterly installments shall be made of \$3000 for six years (6). Commencing March 31, 1990 quarterly installments shall be made of \$4000 with the entire balance, both principal and interest, due and payable on or before December 31, 1991.
- (d) The principal or unpaid balance thereof, or any installments thereof due and unpaid, and all interest due and unpaid shall draw interest at the rate of ten (10) percent per annum after maturity.

All payments hereunder shall be paid to Seller where Seller

INTEREST: Interest on all unpaid balances shall commence on the date of execution.

POSSESSION: Purchaser shall be entitled to possession of the premises on the date of execution.

PREPAYMENT PRIVILEGES: Purchaser shall have the privilege of increasing any monthly payment or prepaying the whole

> GRAY, FANCHER, HOLMES & HURLEY Attorneys at Law EXHIBIT "B-7"
>
> Bend, Oregon Box 1151 Page 4 of 11

-3-

consideration at any time; provided that no additional payment; shall be credited as regular future payments nor excuse Furchases from making the regular monthly payments provided for in this agreement.

TAXES: All taxes levied against the above described property for the current tax year shall be prorated between Selle: (as of 1-15-80), and Purchaser as of the date of execution. Purchaser agrees to pay when due all taxes which are hereafter levied against the property and all public, private and statutory liens which may be hereafter lawfully imposed upon the premises.

PAYMENT OF REAL PROPERTY TAXES: The premises herein described have been zoned or classified for farm use. At any time that said land is disqualified for such use the property will be subject to additional taxes or penalities and interest which shall be paid by the Buyer.

INSURANCE: The Purchaser agrees to keep the buildings on said premises insured against loss by fire, with extended coverage endorsement, in the amount of the reasonable insurable value thereof with loss payable to the Seller as his interest may appear at the time of loss. It is understood that any amount received by the Seller under said insurance in payment of a loss shall be applied upon the unpaid balance to the extent of the amount of the insurance payment received by Seller. Provided, however, it is agreed that, subject to the approval of any mortgagee holding security on this property, the Purchaser may elect to apply the proceeds of the insurance to repair or restore the damaged improvements on the

GRAY, FANCHER, HOLMES & HURLEY
Attorneys at Law
40 N.W. Greenwood Aye. - P. O. Box 1151
Bend, Oregon

EXHIBIT "B-7" Page 5 of 11 condition that the Purchaser holds the Seller harmiess from any liability or indebtedness arising out of said repair and improvements and permits no liens to attach to the property arrivers out of said work; in the event the Purchaser so elects, the proceeds of the insurance shall not be applied upon the unparellations of the contract. All uninsured losses shall be borne by the Furchaser on or after the date Purchaser becomes entitled to possession.

IMPROVEMENTS, ALTERATIONS AND REPAIRS: Furchaser 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 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 thereon and all alterations thereof in good condition and repair. Purchaser shall not otherwise make or cause to be made any improvements or alterations to the property without first obtaining the written consent of Seller, provided, however, such consent shall not be unreasonably withheld.

COVENANTS OF TITLE: Seller covenants that they are the owner of the above described property free of all encumbrances except as set forth herein and:

A Mortgage executed according to its terms from Robert T. Morris and Jacqueline M. Morris, husband and wife, to A. D. Devore and Mary Henrietta Devore, husband and wife, dated December 2, 1968 and recorded February 17, 1969 in Book 79 of Mortgages at page 280, Records of Crook County, Oregon, for the sum of \$39,562.56. (Covers other lands also).

Seller covenants to make all payments to be paid on said

GRAY, FANCHER, HOLMES & HURLEY
Attorneys at Law
40 N.W. Greenwood Ave. - P. O. Box 1151
Bend, Oregon

EXHIBIT "B-7" Page 6 of 11 encumbrances as the same fall due, and in the event of Seller's failure to so do, the Purchaser shall have the right to make such payment or payments and deduct the amount so paid from the balance remaining due under this agreement.

Purchaser's title insurance policy in the amount of \$135,000 within thirty (30) days from the date hereof, insuring Purchaser against loss or damage sustained by them by reason of the unmarketability of Seller's title, or liens or encumbrances thereon, excepting matter. contained in usual printed exceptions in such title incurance policies, easements, conditions and restrictions of record and encumbrances herein specified, if any.

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 lient and encumbrances, except as above provided and those placed upon the property or suffered by Purchaser subsequent to the date of this agreement.

REPRESENTATIONS: Purchaser has purchased the property solely upon Purchaser's own inspection and personal knowledge of the premises and opinion of the value thereof, and no promise to alter repair, or improve said premises has been made by the Seller or by any agent of the Seller.

EXHIBIT "B-7" Page 7 of 11 The parties acknowledge that the attorney drafting this agreement and related documents represents only the Seller.

ASSIGNMENT: The Purchaser shall not nell, transfer, or assign their interest in this contract, or any interest in said real property, without first obtaining the written consent of the Beller

DEFAULT: In the event Purchaser shall fail to perform any of the terms of this agreement, time of payment and pertormance being of the essence, Seller shall, at their 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 revest in Seller without any act of reentry or without any other act by Seller to be performed, and Purchaser agrees to peaceably surrender said 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.
- (e) With respect to any part of the property which constitutes personal property in which Seller has a security interest, Seller may exercise the rights and remedies of a secured party as provided by the Uniform Commercial Code.
- (f) Any other rights provided by law.

Purchaser shall not be deemed in default for failure to perform any covenant or condition of this contract, other than the failure to

GRAY, FANCHER, HOLMES & HURLEY
Attorneys at Law
40 N.W. Greenwood Ave. - P. O. Box 1151

The way to

EXHIBIT "B-7" Page 8 of 11 make payment as provided for herein until notice of said default had been given by Seller to Purchaser and Purchaser shall have failed to remedy said default within 30 days after the giving of notice. Notice for this purpose shall be deemed to have been given by the deposit in the mails of a certified letter containing said notice and addressed to Purchaser at their last known address. If Purchaser shall fail to make payment as herein provided and said failure shall continue for more than 10 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 main default.

when due, any amounts required of Purchaser to be paid to third parties hereunder, Seller may pay any or all such amounts. If Seller makes any such payments the amounts thereof shall be immediately due and payable. Until paid, such amounts shall be secured by this contract and shall bear interest at the rate of the percent per annum. Seller's election to make any payments pursuant to this paragraph shall not consititute a waiver of Seller's right to declare Purchaser in default of this contract.

WAIVER: No waiver of a breach of any covenant, term or condition of this agreement shall be a waiver of any other or subsequent breach of the same or any other covenant, term or condition or as a waiver of the covenant, term or condition itself.

SUCCESSOR INTERESTS: 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 and assigns of the parties hereto.

LITIGATION FEES AND EXPENSES: In the event suit or action be instituted to enforce any of the terms or conditions of this agreement, the losing party shall pay to the prevailing party, in addition to the costs and disbursements allowed by statute, such sum as the court may adjudge reasonable as attorney fees in such suit or action, in both trial court and appellate courts.

If this contract is placed in the hands of an attorney for collection, Purchaser promises to pay the reasonable attorney's fees and expenses of such attorney or agent even though no suit or action is commenced to collect this contract.

INTERPRETATION: As used in this contract, it is understood that the Seller or the Purchaser may be less than two persons; that if the context so requires, the plural pronoun shall be taken to mean and include the singular, the masculine, the feminine and the neuter, and that generally all grammatical changes shall be made, assumed, and implied to make the provision hereof apply equally to an individual.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

BEAR CREEK-RANCH, LTD.

ROBERT T. MORRIS

NORQUIST

WAYNE J. NORDQUIST & ASSOC.

VAYNE J. NORDOUTST NORQUIST

EXHIBIT "B-7" Page 10 of 11

JANICE J. NORDQUIST HOROTICE

GRAY, FANCHER, HOLMES & HURLEY
Attorneys at Law

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N.W. Greenwood Ave. P. O. Box 1151 Bend, Oregon

STATE OF OREGON, County of	aschuta:s
Personally appeared BEAR CREEK RANCH, LTD., and act be his voluntary act. Before	d the above named ROBERT TO MORRELY of Eknowledged the foregoins in transent to me:
	NOTARY PUBLIC FOR OSECON My Commission Expires
STATE OF OREGON, County of	
Personally appeared	d the above named WAYNE J. Norbenting:
and the state of t	NOTARY PUBLIC FOR OFEGON My Commission Expires "-"-"
STATE OF OREGON, County of	, SB:
Personally appeared and acknowledge voluntary act. Before	orelandered Aba Causans
	NOTARY PUBLIC FOR OREGON My Commission Expires

GRAY, FANCHER, HOLMES & HURLEY
Attorneys at Law
40 N.W. Greenwood Ave. - P. O. Box 1151

EXHIBIT "B-7" Page 11 of 11 \$ 37,000.00

Bend, Oregon, March _____, 1982

For value received, we promise to pay to ROBERT T. MORRIS and JACQUELINE
M. MORRIS or order, the sum of THIRTY SEVEN THOUSAND DOLLARS with interest thereon
the rate of 10.5 percent per annum from, 1982, payable in
ship installments of not less than \$400.00, including interest, commencing on
, 1982 and on the same day of each and every
reincipal and interest shall be paid in full. The principal of unpaid curation
thereof or any installments thereof due and unpaid, and all interest due and dir
paid shall draw interest at the rate of thirteen percent (13%) per armum after
maturity.
If any of said installments be not so paid, said whole sum of both
principal and interest shall become immediately due and collectible at the option
of the holder of this note. In case suit or action or appeal from any suit or action is instricted
and less this pore or any part hereof, we promise to pay such additional sum of
the court may adjudge reasonable as attorneys fees in said suit of accession
To the event this Note is referred to an attorney at law for collection, we real
to pay such reasonable attorneys fees as the holder thereof may meet
to any attorney in the collection hereof or any part hereof even if no suit or
action has been instituted.
Note & Trust Deed terms EUGENE P. GONZALES read & approved.
BY: 1 CLAUDIA R. CONZALES BY: ** ** ** ** ** ** ** ** **

EXHIBIT "B-8" Page 1 of 2

ESCHOW OFFICES: O GREENWOOD BRANCH

D SISTERS ESCHOWOFFICE

1982

P.O. BOX 752 • 1195 N.W WALL STREET BEND, OREGON 97701 • TELEPHONE (503) 389-7711

335 N.E. Greenwood Bend, Oregon 97701 389-7941 O SUNRIVER BRANCH Suntiver Mall Sunriver, Oregon 97701

347 S.W. Hood Staters, Oteopo 97759 549-8421/388-1509 D REDMOND ESCROW OFFICE

Redmond, Oregon 97756

728 W. Highland

548 6055

RLEST HEMPHILL JA

Deschutes County, OR.

HRENJ PEASE

593-1813 GAI 20 10 24 C 100; 1-4

E-6152 ESCROW NO. TITLE NO. _ -64606-MT

CLOSING DATE March ROBERT T. MORRIS and JACQUELINE M. MORRIS, Sellers CROW CLOSING STATEMENT FOR:

	Credits
\$	\$ 49,500.00
37,000.00	
1,755,43	
	150.93
2,500.00 2,500.00	
156.00	
235.00	
75.00	
37.75	
5,391.75	
	37,000.00 1,755.43 2,500.00 2,500.00 156.00 235.00 75.00 37.75

certify we have delivered copies of statement to the above parties.

Read, approved and accepted by the undersigned:

ertified Escrow Officer Jawn L. Lillis

EXHIBIT "B-8"

STATE OF OREGON; COUNTY OF KLAMATH; SS

I hereby certify that the within instrument was received and filed for record on the 25 day of August A.D., 19 82 at 2:48 o'clock p M and duly recorded in Vol M 82 , of Deeds _on page__11148

EVELYN BIEHN COUNTY CLERK

FEE \$220.00