

THIS AGREEMENT made and entered into this 10th day of May, 1985, by and between ERNEST C. MEYER and NANCY A. MEYER, husband and wife, hereinafter called Seller and JEFFREY DEAN OATES, hereinafter called Buyer (it being understood that the singular shall include the plural if there are two or more sellers and/or buyers).

W I T N E S S E T H:

Seller agrees to sell to the Buyer and the Buyer agrees to buy from the Seller for the price and on the terms and conditions set forth herein after all of the following described property and improvements situate in Klamath County, State of Oregon, to-wit:

A parcel of land situated in the N $\frac{1}{2}$ N $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 36, Township 34 South, Range 8 East of the Willamette Meridian, Klamath County, State of Oregon, more particularly described as follows:

Beginning at a point on the North line of the SW $\frac{1}{4}$ of said Section 36, said point being South 89°55'37" East 1315.21 feet from the W $\frac{1}{4}$ corner of said Section 36; said point being the true point of beginning thence from said true point of beginning South 00°03'13" West 663.26 to a point on the South line of said N $\frac{1}{2}$ N $\frac{1}{2}$ SW $\frac{1}{4}$ of said Section 36; thence South 89°56'47" East 349.12 feet to the center line of that 60 foot easement as described in Deed Volume M76, page 9837, Microfilm Records of Klamath County; thence North 39°40'10" East along said center line 860.60 feet to a point on the North line of the SW $\frac{1}{4}$ of said Section 36; thence along said line North 89°55'37" West 936.81 feet to the true point of beginning.

Bearing and distances are based on Major Land Partition 40-83 filed December 20, 1983 in the office of the County Recorder in Klamath County, State of Oregon.

SUBJECT TO contract and/or liens for irrigation and/or drainage, the schedule of exclusions from coverage, together with any schedules contained in standard title policies, reservations, easements, restrictions and rights of way of record and those apparent on the land.

THIS INSTRUMENT DOES NOT GUARANTEE THAT ANY PARTICULAR USE MAY BE MADE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT. A BUYER SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

ALSO SUBJECT TO:

- 1) An easement created by instrument, including the terms and provisions thereof
 - Dated : May 7, 1976
 - Recorded : June 18, 1976
 - Volume : M76, page 9054, Microfilm Records of Klamath County, Oregon
 - In Favor Of : Pacific Power & Light Company
 - For : Electric transmission and distribution lines
- 2) An easement created by instrument, including the terms and provisions thereof
 - Dated : June 25, 1976
 - Recorded : June 29, 1976
 - Volume : M76, page 9837, Microfilm Records of Klamath County, Oregon
 - In Favor Of : Henry & Gerald Wolff Ranch, Inc.
 - For : Roadway and Highway purposes
 - Affects : Eastern 30 feet

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3) An easement created by instrument, including the terms and provisions thereof

Dated : April 30, 1981
 Recorded : May 5, 1981
 Volume : M81, page 8032, Microfilm Records of Klamath County, Oregon
 In Favor Of : Russell Palmer
 For : Ingress and Egress
 Affects : Southern 3 feet

4) An easement created by instrument, including the terms and provisions thereof

Dated : December 9, 1983
 Recorded : December 19, 1983
 Volume : M83, page 21531, Microfilm Records of Klamath County, Oregon
 For : Road easement for vehicles and public utility access
 Affects : Southern 30 feet

5) Any claims or causes of action arising as the result of the apparent encroachment of a fenceline or fencing on the northerly side and southerly side of the within described real property, as evidenced by notation thereof on Major Land Partition' 40-83 filed December 20, 1983.

6) An unrecorded Real Estate Contract, including the terms and provisions thereof

Dated : December 6, 1982
 Vendor : Floyd W. Hescocock and Jessie L. Hescocock, husband and wife
 Vendee : Monte D. Young and Karin J. Young, husband and wife

The said unrecorded Real Estate Contract is presently being collected at United States National Bank, Klamath Falls, Oregon. Buyer and Seller agree that appropriate instructions will be forwarded to U.S. National Bank instructing the said escrow holder to deliver any and all documents from out of the said escrow to Mountain Title Company for inclusion in the collection escrow for the within contract. Buyer and Seller further understand that the aforesaid contract covers other property, and thus Seller agrees that he will continue to pay the payments due on the said contract and to hold Buyer harmless therefrom.

7) A certain Real Estate Contract, including the terms and provisions thereof

Dated : December 6, 1982
 Recorded : December 14, 1982
 Volume : M82, page 17762, Microfilm Records of Klamath County, Oregon
 Vendor : Monte D. Young and Karin J. Young, husband and wife
 Vendee : Ernest C. Meyer and Nancy A. Meyer, husband and wife

Buyer and Seller agree that the said contract is being collected by Mountain Title Company under Escrow No. 11710. Seller agrees that all proceeds of the instant contract as paid into escrow shall be payable in turn to Monte D. Young and Karin J. Young. Buyer and Seller further understand that the said real estate contract as between Monte D. Young and Karin J. Young, husband and wife as vendor, and Ernest C. Meyer and Nancy A. Meyer, husband and wife as vendee, includes additional property, and thus Seller agrees that he will continue to pay the payments due on the said contract and to hold Buyer harmless therefrom.

I

The purchase price thereof shall be the sum of TWENTY THOUSAND AND NO/100s (\$20,000.00) DOLLARS, payable as follows: \$2,750.00 upon the execution hereof; the balance of \$17,250.00 shall be paid in MONTHLY installments of \$166.47, INCLUDING interest at the rate of 10 percent per annum on the unpaid balance; the first such installment to be paid on the 15th day of June, 1985, and a further and like installment to be paid on or before the 15th day of each and every month thereafter until the entire purchase price, including both principal and interest is paid in full.

II

Interest as aforesaid shall commence from date of closing hereof, being May 15, 1985. Buyer shall be entitled to possession of the property as of the date hereof.

III

After the date hereof, Buyer shall have the privilege of increasing any payment or prepaying the entire balance with interest due thereon to the date of payment.

There shall be no penalty imposed for prepayment of any sums due hereunder.

Buyer shall pay promptly all indebtedness incurred by his acts which may become a lien or purported lien upon said property, and shall regularly and before the same shall become delinquent, pay all taxes, assessments, liens and encumbrances of whatsoever kind affecting said property after this date, provided all such taxes, assessments and charges for the current year shall be prorated as of the date hereof. Seller shall, however, be responsible for payment of any and all taxes or penalties which may result by virtue of removal of the property from exclusive farm use valuation. All such real property taxes shall be brought current by Seller prior to close of escrow, including the accrual of any penalties or interest by virtue of the change of use of the said property from out of exclusive farm use valuation. In the event Buyer shall fail to pay any taxes, assessments, liens and encumbrances required to be paid by Buyer hereunder, Seller may pay any and all such amounts, and any such payment shall be added to the purchase price of said property on the date such payments were made by Seller, and such amount shall bear interest at the same rate as provided above, without waiver of any right arising to Seller for Buyer's breach of contract; and in such event or events, the escrow holder is hereby directed and authorized to so add such amounts to the contract balance upon being tendered a proper receipt therefor. Buyer and Seller further agree that the real property tax statements shall be sent by the Klamath County Tax Assessor to the address of Seller, who shall in turn forward such tax billings to Buyer. Buyer shall be required, within thirty (30) days of mailing of such statements, to provide Seller with proofs of payment of each year's real property taxes or any other assessments, liens or encumbrances required by Buyer to be paid hereunder.

IV

The within property is bare land. However, should Buyer construct any buildings on said property, Buyer shall keep such buildings insured against loss or damage by fire or other casualty in an amount not less than the insurable value thereof, with loss payable to the parties herein and the interests herein reflected, if any, all as their interests appear at the time of loss, all insured losses shall be borne by the Buyer on or after the date Buyer becomes entitled to possession; if such improvements are constructed on the real property, Buyer shall furnish Seller proof of insurance coverage on the said structures.

V

Buyer agrees that any and all improvements now located or which may hereafter be placed on or attached to the property 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. Buyer shall not commit or suffer any waste of the property or alterations thereof, and shall maintain the property, improvements and alterations thereof, in good condition and repair, provided that Buyer shall not make or cause to be made any major improvements or alterations to the property without first obtaining the written consent of Seller. Buyer further agrees that no timber of any kind or nature whatsoever shall be removed, cut, sold or otherwise disposed of on the real property described hereinabove except as is necessary to be cleared in order to construct personal living quarters. In clearing away such a place of personal living quarters, only such trees or timber as are reasonably necessary to be removed may be removed.

Seller shall upon the execution hereof make and execute in favor of Buyer a good and sufficient warranty deed conveying said property free and clear of all liens and encumbrances except as set forth hereinabove, and shall further arrange for placement of deeds or partial releases of the within described property from the lien of that certain unrecorded real estate contract dated December 6, 1982 between Floyd W. Hescocck and Jessie L. Hescocck, husband and wife, as vendor, and Monte D. Young and Karin J. Young, husband and wife, as vendee; as well as deeds or partial releases releasing the within property from the lien of that certain real estate contract dated December 6, 1982 and recorded December 14, 1982 at Volume M82, page 17762 as between Monte D. Young and Karin J. Young, husband and wife, as vendor, and Earnest C. Meyer and Nancy A. Meyer, husband and wife, as vendee; and will place all of said documents, together with one of these land sale contracts, in escrow at Mountain Title Company, 407 Main Street, Klamath Falls, Oregon 97601, and shall enter into written escrow instructions in a form satisfactory to said escrow holder and the parties hereto, including Monte D. Young and Karin J. Young, husband and wife, and Floyd W. Hescocck and Jessie L. Hescocck, husband and wife, instructing said escrow holder that when, and if, Buyer 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 documents to Buyer; but, in case of default by Buyer, said escrow holder shall, on demand, surrender said documents to Seller.

VII

Until a change is requested, all tax statements shall be sent to the following address:

Jeffrey Dean Oates
St. Rt. Box 63-B
Chiloquin, OR 97624

VIII

Buyer certifies this contract of purchase is accepted and executed on the basis of his own examination and personal knowledge of the premises and opinion of the value thereof; that no attempt has been made to influence his judgment; that no representations as to the condition or repair of said premises have been made by Seller or by any agent of Seller; and that Buyer takes said property and the improvements thereon in the condition existing at the time of this agreement.

IX

Buyer shall not assign this agreement, his rights thereunder, or in the property covered thereby without the written consent of Seller. Such consent shall not be unreasonably withheld.

X

If Buyer 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 terms or conditions of this agreement, then the Seller at his option shall have the following rights:

- 1) To declare this contract null and void;
- 2) To declare the whole unpaid principal balance of said purchase price with the interest thereon at once due and payable;
- 3) To withdraw said deed and other documents from the escrow; and/or
- 4) To foreclose this contract by suit or by strict foreclosure in equity, and in any of such cases, all rights and interest created or then existing in favor of the Buyer as against the Seller hereunder shall utterly cease and determine, and the right to the possession of the premises above described and all other rights acquired by the Buyer hereunder shall revert to and revest in said Seller without any act of re-entry, or any other act of said Seller to be performed and without any right of 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. Should Buyer, during the term of this contract, remove any timber or trees from the subject property, excepting such trees or timber as are reasonably necessary to be removed to construct personal living quarters, such removal shall constitute a default, allowing to Seller each of the rights referred to in the foregoing paragraph, including entry of a deficiency judgment as against Buyer.

XI

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

XII

In the event suit or action is instituted to enforce any of the terms of this contract, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorney's fees at trial or on appeal of such suit or action, in addition to all other sums provided by law.

XIII

Buyer further agrees that failure by Seller at anytime to require performance by Buyer of any provision hereof shall in no way affect Seller's right hereunder to enforce the same, nor shall any waiver by 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.

XIV

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

IN WITNESS WHEREOF, the parties have caused this agreement to be executed this 10th day of May, 1985.

X Ernest C. Meyer
ERNEST C. MEYER
Seller

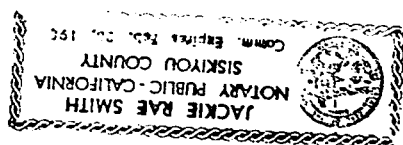
Jeffrey Dean Oates
JEFFREY DEAN OATES
Buyer

X Nancy A. Meyer
NANCY A. MEYER
Seller

California
STATE OF OREGON)
County of Klamath) ss.

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Personally appeared the above named ERNEST C. MEYER and NANCY A. MEYER, husband and wife, and acknowledged the foregoing instrument to be their voluntary act and deed.

DATED before me this 10th day of May, 1985.



Jackie Rae Smith
NOTARY PUBLIC FOR OREGON California
My Commission Expires:
Feb 28, 1986

STATE OF OREGON)
County of Klamath) ss.

Personally appeared the above named JEFFREY DEAN OATES, and acknowledged the foregoing instrument to be his voluntary act and deed.

DATED before me this 14th day of May, 1985.



Kristi L. Redd
NOTARY PUBLIC FOR OREGON
My Commission Expires: 11/16/87

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record _____
this 15th day of May A. D. 19 85 at 9:52 o'clock A M., and
duly recorded in Vol. M85, of Deeds on Page 7225

EVELYN BIEHN, County Clerk
By [Signature]

Fee: \$25.00