

THIS CONTRACT, made and entered into this 6th day of NOVEMBER, 19 85 by and between WILLIAM F. SCOTT and GAYLE J. SCOTT, as tenants by the entirety hereinafter called Seller, and TINEC CORPORATION, an Oregon non-profit corporation, hereinafter called Buyer (it being understood that the singular shall include the plural if there are two or more sellers and/or buyers).

WITNESSETH:

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 hereafter all of the following described property and improvements legally described on Exhibit "A", attached hereto and incorporated by reference herein as if fully set forth, subject to the encumbrances also set forth on Exhibit "A."

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTALLMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

It is mutually agreed as follows:

1. POSSESSION: Buyer shall be entitled to possession of the property as of the date hereof;
2. PREPAYMENT PRIVILEGE: After the date hereof _____, Buyer shall have the privilege of increasing any payment or prepaying the entire balance provided for hereinafter with interest due thereon to the date of payment;
3. PAYMENT OF LIENS AND TAXES: Buyer shall pay promptly all indebtedness incurred by their 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, including adjustment of same for any reason, 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 pro-rated as of the date hereof, and in the event Buyer shall fail to so pay, when due, any such matters or amounts required by Buyer to be paid hereunder, or to procure and pay seasonably for insurance, Seller may pay any or all such amounts and any such payment shall be added to the purchase price of said property on the date such payments are made by Seller and such amount shall bear interest at the same rate as provided herein, without waiver, however, 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 property receipt therefor;
4. INSURANCE: Buyer shall keep any buildings on said property insured against loss or damage by fire or other casualty in an amount not less than the full insurable value thereof with loss payable to the parties hereto and the interests herein reflected, if any, all as their interests appear at the time of loss, all uninsured losses shall be borne by the Buyer on or after the date Buyer becomes entitled to possession; Buyer shall furnish Seller proof of such insurance coverage;
5. WASTE PROHIBITED: Buyer agrees that all improvements now located or which shall hereafter be placed on 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 cut or remove any timber, trees or shrubbery without Sellers prior written consent. Buyer shall not commit or suffer any waste of the property, or any improvements thereon, or alteration thereof, and shall maintain the property, improvements and alterations thereof, in good condition and repair, provided, 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;

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6. TRANSFER OF TITLE: Seller shall upon the execution hereof make and execute in favor of Buyer a good and sufficient deed conveying said property free and clear of all liens and encumbrances, except as provided on Exhibit "A", together with a good and sufficient Bill of Sale or Certificate of Title as appropriate and will place said documents, together with one of these agreements, in escrow at MOUNTAIN TITLE COMPANY INC., 407 Main Street Klamath Falls, Oregon 97601, and shall enter into written escrow instructions in form satisfactory to said escrow holder and the parties hereto, 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;

7. TAX PAYMENT PROCEDURES: Until a change is requested, all tax statements shall be sent to the address designated by Seller hereinafter. Seller shall then forward such tax statements to Buyer who shall be required to pay the same and provide proof of such payment to Seller within thirty (30) days of the date of Seller's mailing of the said tax statements;

8. PROPERTY TAKEN "AS IS": Buyer certifies that 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 an agent of Seller; and that Buyer takes said property and the improvements thereon in the condition existing at the time of this agreement;

9. CONSENT TO ASSIGNMENT: Buyer shall not assign this agreement, his rights thereunder, or in the property covered thereby without the written consent of Seller. In the event the within described property, any part thereof, any interest therein (whether legal or equitable) is sold, agreed to be sold, conveyed, assigned or alienated by the Buyer without having first obtained the written consent or approval of the Seller, then, at the Seller's option, all obligations secured by this instrument, irrespective of the maturity date expressed herein, shall become immediately due and payable;

10. TIME OF ESSENCE: It is understood that and agreed between the parties that time is of the essence of this contract;

11. DEFAULT: In case 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: ** see special terms below

- a) To declare this contract null and void, after giving such notice as is then required by Oregon Revised Statutes; and/or
- b) To declare the whole unpaid principal balance of said purchase price with the interest thereon at once due and payable; and/or
- c) To withdraw said deed and other documents from the escrow and/or;
- d) To foreclose this contract by suit or by strict foreclosure in equity.

**All parties have agreed that the Buyer shall have a 90 day grace period before Sellers may begin default procedures. In any or 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 monies paid on account of the purchase of said property as absolutely, fully and perfectly as if this contract and such payments had never been made; and in case of such default, all payments theretofore made on this contract are to be retained by and belong to said Seller as the agreed and reasonable rent of said premises up to the time of such default. The said Seller, in case of such default, shall have the right immediately, or at any time thereafter, to enter upon the land aforesaid, without any process of law, and take immediate possession thereof, together with all of the improvements thereon; and alternatively, Buyer shall have the right to apply to the Court for appointment of a receiver as a matter of right and nothing in this contract shall preclude appointment of the Seller as such receiver;

12. ABANDONMENT: Should Buyer, while in default, permit the premises to become vacant for a period in excess of 20 days, Seller may take possession of same individually or by appointment of a receiver by self-help or by Court order 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;

13. ATTORNEY FEES: 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;

14. NO WAIVER: Buyer further agrees that failure by Seller at any time 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;

15. BINDING ON SUCCESSORS: 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;

16. TERMS OF PAYMENT: The purchase price of the interest conveyed by the within instrument shall be the sum of \$40,000.00, payable as follows: \$10,000.00 upon execution hereof; the balance of \$30,000.00 shall be paid in monthly installments of \$489.04 including interest at the rate of Ten (10) percent per annum on the unpaid balance, the first such installment to be paid on the 1st day of December, 1985, and a further and like installment to be paid on or before the 1st day of each month thereafter until the entire purchase price, including both principal and interest is paid in full. The final payment of principal and interest hereof, if not sooner paid, shall be fully due and payable on or before the first day of December, 1992.

17. LATE PAYMENT PENALTY: In addition to any other remedies afforded to Sellers herein, Seller shall be entitled to receive payment in the amount of \$24.45, in addition to the regularly scheduled payment set forth in paragraph 16, hereinabove (\$489.04) as and for a late payment charge, should Buyer fail to make any payment required to be made hereunder within 10 days of the date due. Seller shall be required to notify both Buyer and Mountain Title Company Inc. (or the successor collection escrow agent) of the accrual of such late payment charge, which such charge shall be credited only as an additional charge to Buyer and not as a credit to either interest or principal.

IN WITNESS WHEREOF the parties have caused this agreement to be executed this 6th day of November, 1985.

SELLERS:

BY: William F. Scott
WILLIAM F. SCOTT

BY: Gayle J. Scott
GAYLE J. SCOTT

BUYERS: TINEC CORPORATION, an Oregon
non-profit corporation

BY: Frank J. Burdick

BY: Byron T. Jagunsky
President

Wes Vetter
Executive Director

STATE OF OREGON)
COUNTY OF KLAMATH) SS

18364

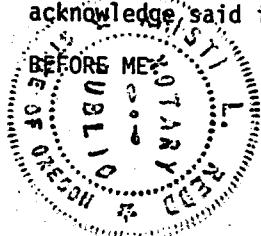
PERSONALLY APPEARED WILLIAM F. SCOTT and GAYLE J. SCOTT,
on this 13th day of November, 1985 and acknowledged the foregoing
instrument to be their voluntary act and deed.



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

STATE OF OREGON)
COUNTY OF KLAMATH) SS

PERSONALLY APPEARED Frank Broderick and Byron T. Sagunsky, and
Wes Patterson, who, being duly sworn, each for himself and not one for
the other, did say that the former is the ^{past KR-} President and that the latter is
the ^{KR-} Secretary of TINEC CORPORATION, an Oregon Non-Profit Corporation and that
the seal affixed to the foregoing instrument is the corporate seal of said
corporation and that the said instrument was signed and sealed on behalf of
said corporation by authority of its Board of Directors; and each of them
acknowledge said instrument to be its voluntary act and deed.



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

William F. Scott and Gayle J. Scott
1920 Auburn Street
Klamath Falls, OR 97601
VENDOR'S NAME AND ADDRESS

TINEC CORPORATION
900 Richmond Street
Klamath Falls, OR 97601
VENDEE'S NAME AND ADDRESS

After recording return to:
Mountain Title Company
407 Main Street
Klamath Falls, OR 97601

Until a change is requested all tax statements
shall be sent to the following address:
William F. Scott and Gayle J. Scott
1920 Auburn Street
Klamath Falls, OR 97601
PAGE FOUR - LAND SALE CONTRACT

STATE OF OREGON)
County of Klamath) SS

I certify that the within
instrument was received for record
on the _____ day of _____, 1985,
at _____ o'clock _____ M., and
recorded in book _____ on Page _____
or as file/reel number _____,
Record of Deeds of said county.
WITNESS my hand and seal of
County affixed.

Recording Officer

BY: _____
Deputy

EXHIBIT "A"

18365

Lots 35, 36 and 37, Block 6, INDUSTRIAL ADDITION TO
THE CITY OF KLAMATH FALLS, according to the official
plat thereof on file in the office of the County Clerk
of Klamath County, Oregon.

SUBJECT TO contracts 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 apparrant on the land.

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W.S.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____
of November A.D., 19 85 at 1:23 o'clock P M., and duly recorded in Vol. 885 day
of Deeds on Page 18361

FEE \$21.00

Evelyn Biehn
By _____

County Clerk

Pam Smith