

THIS CONTRACT, Made this 11 day of December, 1985, between Leon G. Follick and Effie Follick, husband and wife; Virginia Tharp, Fred Morland and Hazel Morland, husband and wife; and Donald D. Phelps and Viola Phelps, husband and wife; and Lawrance A. Franson and Brenda L. Franson, husband and wife, hereinafter called the seller,

WITNESSETH: That in consideration of the mutual covenants and agreements herein contained, the seller agrees to sell unto the buyer and the buyer agrees to purchase from the seller all of the following described lands and premises situated in Klamath County, State of Oregon, to-wit:

SE1/4SW1/4 of Section 27 and NE1/4NW1/4 of Section 34 Township 38 South, Range 9 E.W.M., SAVING AND EXCEPTING THEREFROM that portion of the NE1/4NW1/4 of said Section 34 more particularly described as follows: Beginning at the Southeast corner of said NE1/4NW1/4; thence North 00°03'56" West a distance of 1000.41 feet to a point; thence South 89°34'54" West a distance of 600 feet to a point; thence South 00°03'56" East 1000 feet, more or less, to a point on the South line of said NE1/4NW1/4; thence East along said South line a distance of 600 feet, more or less, to the point of beginning.

Subject, however, to the following:  
1. The assessment roll and the tax roll disclose that the within described premises were specially assessed as farm land. Taxes for the year 1984-85 and possibly prior years have been deferred pursuant to ORS 308.370 to 308.403. These, plus earned interest are due and payable when said reason for the deferment no longer exists.

(For continuation of this document, see reverse side of this Contract.)

for the sum of Sixty-eight thousand and no/100-----Dollars (\$68,000.00) (hereinafter called the purchase price) on account of which Thirteen thousand six hundred & no/100 Dollars (\$13,600.00) is paid on the execution hereof (the receipt of which is hereby acknowledged by the seller); the buyer agrees to pay the remainder of said purchase price (to-wit: \$54,400.00) to the order of the seller in monthly payments of not less than One thousand and no/100-----Dollars (\$1,000.00) each, or more, prepayment without penalty,

payable on the 20 day of each month hereafter beginning with the month of January, 1986, and continuing until said purchase price is fully paid. All of said purchase price may be paid at any time; all deferred balances of said purchase price shall bear interest at the rate of 9% per cent per annum from December 9, 1985 until paid, interest to be paid monthly and \* being included in the minimum monthly payments above required. Taxes on said premises for the current tax year shall be prorated between the parties hereto as of the date of this contract.

The buyer warrants to and covenants with the seller that the real property described in this contract is (A) primarily for buyer's personal, family, household or agricultural purposes. (B) for an organization or even if buyer is a natural person is for business or commercial purposes other than agricultural purposes. The buyer shall be entitled to possession of said lands on December 9, 1985, and may retain such possession so long as he is not in default under the terms of this contract. The buyer agrees that at all times he will keep the premises and the buildings, now or hereafter erected thereon, in good condition and repair and will not suffer or permit any waste or strip thereof; that he will keep said premises free from construction and all other liens and save the seller harmless therefrom and reimburse seller for all costs and attorney's fees incurred by him in defending against any such liens; that he will pay all taxes hereafter levied against said property, as well as all water rents, public charges and municipal liens which hereafter lawfully may be imposed upon said premises, all promptly before the same or any part thereof become past due; that at buyer's expense, he will insure and keep insured all buildings now or hereafter erected on said premises against loss or damage by fire (with extended coverage) in an amount not less than full insurable value in a company or companies satisfactory to the seller, with loss payable first to the seller and then to the buyer as their respective interests may appear and all policies of insurance to be delivered to the seller as soon as insured. Now if the buyer shall fail to pay any such liens, costs, water rents, taxes, or charges or to procure and pay for such insurance, the seller may do so and any payment so made shall be added to and become a part of the debt secured by this contract and shall bear interest at the rate aforesaid, without waiver, however, of any right arising to the seller for buyer's breach of contract. The seller agrees that at his expense and within 30 days from the date hereof, he will furnish unto buyer a title insurance policy insuring (in an amount equal to said purchase price) marketable title in and to said premises in the seller on or subsequent to the date of this agreement, save and except the usual printed exceptions and the building and other restrictions and easements now of record, if any. Seller also agrees that when said purchase price is fully paid and upon request and upon surrender of this agreement, he will deliver a good and sufficient deed conveying said premises in fee simple unto the buyer, his heirs and assigns, free and clear of encumbrances as of the date hereof and free and clear of all encumbrances since said date placed, permitted or arising by, through or under seller, excepting, however, the said easements and restrictions and the taxes, municipal liens, water rents and public charges so assumed by the buyer and further excepting all liens and encumbrances created by the buyer or his assigns.

IMPORTANT NOTICE: Delete, by lining out, whichever phrase and whichever warranty (A) or (B) is not applicable. If warranty (A) is applicable and if seller is a creditor, as such word is defined in the Truth-in-Lending Act and Regulation Z, the seller MUST comply with the Act and Regulation by making required disclosures; for this purpose, use Stevens-Ness Form No. 1308 or similar. If the contract becomes a first lien to finance the purchase of a dwelling use Stevens-Ness Form No. 1307 or similar.

SELLER'S NAME AND ADDRESS  
BUYER'S NAME AND ADDRESS  
After recording return to:  
Klamath County Title Co.  
P.O. Box 151  
Klamath Falls, OR 97601  
NAME, ADDRESS, ZIP  
Until a change is requested all tax statements shall be sent to the following address:  
Lawrance A. Franson, 004  
2700 Washington Way  
Klamath Falls, OR 97601  
NAME, ADDRESS, ZIP

STATE OF OREGON,  
County of \_\_\_\_\_  
I certify that the within instrument was received for record on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, at \_\_\_\_\_ o'clock M., and recorded in book/roll/volume No. \_\_\_\_\_ on page \_\_\_\_\_ or as document/fee/file/instrument/microfilm No. \_\_\_\_\_.  
Record of Deeds of said county.  
Witness my hand and seal of County affixed.  
NAME \_\_\_\_\_ TITLE \_\_\_\_\_  
By \_\_\_\_\_ Deputy

20193

And it is understood and agreed between said parties that time is of the essence of this contract, and in case the buyer shall fail to make the payments above required, or any of them, punctually within the time limited therefor, or fail to keep any agreement herein contained, 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 escrow and/or (4) to foreclose this contract by suit 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 de- seller without any act of re-entry, or any other act of said seller to be performed and without any right of the 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; 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. And 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 the improvements and appurtenances thereon or thereto belonging.

The buyer further agrees that failure by the seller at any time to require performance by the buyer of any provision hereof shall in no way affect his right hereunder to enforce the same, nor shall any waiver by said 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.

The true and actual consideration paid for this transfer, stated in terms of dollars, is \$68,000.00. However, the actual consideration consists of or includes other property or value given or promised, which is ~~not~~ included in the consideration. (Indicate or which is)

In case suit or action is instituted to foreclose this contract or to enforce any provision hereof, the losing party in said suit or action agrees to pay such sum as the trial court may adjudge reasonable as attorney's fees to be allowed the prevailing party in said suit or action and if an appeal is taken from any judgment or decree of such trial court, the losing party further promises to pay such sum as the appellate court shall adjudge reasonable as the prevailing party's attorney's fees on such appeal.

In construing this contract, it is understood that the seller or the buyer may be more than one person or a corporation, that if the context so requires, the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine and the neuter, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

This agreement shall bind and inure to the benefit of, as the circumstances may require, not only the immediate parties hereto but their respective heirs, executors, administrators, personal representatives, successors in interest and assigns as well.

IN WITNESS WHEREOF, said parties have executed this instrument in triplicate; if either of the under- signed is a corporation, it has caused its corporate name to be signed and its corporate seal affixed hereto by its of- ficers duly authorized thereunto by order of its board of directors.

*Leon G. Follick*  
Leon G. Follick  
*Effie Follick*  
Effie Follick

*Virginia Sharp*  
Virginia Sharp  
*Fred Morland*  
Fred Morland

STATE OF OREGON,  
County of Klamath } ss.  
December 11, 1985

STATE OF OREGON, County of \_\_\_\_\_ } ss.  
Personally appeared \_\_\_\_\_, 19\_\_\_\_\_

Personally appeared the above named Leon G. Follick, Effie Follick, Donald D. Phelps, Viola Phelps, Lawrence A. Franson and Brenda L. Franson and acknowledged the foregoing instru- ment to be their voluntary act and deed.

Each for himself and not one for the other, did say that the former is the president and that the latter is the secretary of \_\_\_\_\_ and who, being duly sworn, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in be- half of said corporation by authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed.

*Notary Public for Oregon*  
Notary Public for Oregon  
My commission expires 9/23/89

Notary Public for Oregon  
My commission expires: \_\_\_\_\_

ORS 93.635 (1) All instruments contracting to convey fee title to any real property, at a time more than 12 months from the date that the instrument is executed and the parties are bound, shall be acknowledged, in the manner provided for acknowledgment of deeds, by the conveyor of the title to be con- veyed. Such instruments, or a memorandum thereof, shall be recorded by the conveyor not later than 15 days after the instrument is executed and the par- ties are bound thereby.

ORS 93.990(3) Violation of ORS 93.635 is punishable, upon conviction, by a fine of not more than \$100.

*Hazel Morland*  
Hazel Morland  
*Donald D. Phelps*  
Donald D. Phelps  
*Viola Phelps*  
Viola Phelps

*Lawrence A. Franson*  
Lawrence A. Franson  
*Brenda L. Franson*  
Brenda L. Franson

2. Agreement relative to irrigation, including the terms and provisions thereof, between United States of America and Elbert H. Johnson dated August 23, 1924, recorded November 22, 1924, Vol. 64, page 639, Deed Records of Klamath County, Oregon. (Provides for a lien on the land for water charges). Affects NE1/4NW1/4 Section 34.
  3. Right of way for pole line, including the terms and provisions thereof, given by E. H. Johnson and Alice Johnson to The Pacific Telephone and Telegraph Company dated May 7, 1942, recorded August 1, 1942, Vol. 149, page 53, Deed Records of Klamath County, Oregon. Affects S1/2SE1/2SW1/4 Section 27.
  4. Right of way for pole line, including the terms and provisions thereof, given by E. H. Johnson and Alice Johnson, husband and wife, to The California Oregon Power Company dated October 15, 1946, recorded November 18, 1946, Vol. 198, page 411, Deed Records of Klamath County, Oregon. Affects NE1/4NW1/4 Section 34.
  5. Right of way for transmission line, including the terms and pro- visions thereof, given by E. H. Johnson and Alice Johnson, husband and wife, to Pacific Power and Light Company dated December 12, 1961, recorded January 9, 1962, Vol. 335, Page 13, Deed Records of Klamath County, Oregon. Affects NE1/4NW1/4 Section 34.
- (For continuation of this document, see the attached Exhibit reference incorporated herein as if fully set forth.)

6. Right of way for pipe line, including the terms and provisions thereof, given by Elbert H. Johnson and Alice Johnson to California-Pacific Utilities Company dated April 8, 1964, recorded April 8, 1964, Vol. 352, page 223, Deed Records of Klamath County, Oregon. Affects NE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 34.
7. Rights of the public in any portion of the herein described premises lying within the limits of any road or highway.

FORM NO. 23 — ACKNOWLEDGMENT  
STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

STATE OF OREGON,

County of Lane } ss.

BE IT REMEMBERED, That on this 3rd day of December, 1985, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Virginia Tharp

known to me to be the identical individual described in and who executed the within instrument and acknowledged to me that she executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Kenneth H. Hugg  
Notary Public for Oregon.  
My Commission expires 10-14-87

FORM NO. 23 — ACKNOWLEDGMENT  
STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

STATE OF OREGON,

County of Multnomah } ss.

BE IT REMEMBERED, That on this \_\_\_\_\_ day of December, 19 85, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Fred Morland and Hazel Morland

known to me to be the identical individual<sup>s</sup> described in and who executed the within instrument and acknowledged to me that they executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

\_\_\_\_\_  
Notary Public for Oregon.  
My Commission expires \_\_\_\_\_

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of \_\_\_\_\_ the 12th day  
of December A.D., 19 85 at 12:02 o'clock P M., and duly recorded in Vol. 1195  
of \_\_\_\_\_ Deeds on Page 20192

FEE \$13.00

Evelyn Biehn, County Clerk  
By Edna Smith

EXHIBIT "A"