

THIS AGREEMENT made and entered into this 19th day of September, 1986 by and between JULIA MARIE KIMSEY, hereinafter called the Vendor, and GEORGE MELTON and HAZEL MELTON, hereinafter called the Vendee.

WITNESSETH:

Vendor agrees to sell to the Vendee and the Vendee agrees to buy from the Vendor all of the following described property situated in Klamath County, State of Oregon, to-wit:

Lot 19, Block 6 in LENOX addition of Klamath County, Oregon.

Also, subject to reservations, restrictions, easements and rights of way of record and those apparent on the land; at and for a price of \$15,000.00, payable as follows to-wit: \$15,000.00 with interest at the rate of 8.0% per annum from October 10, 1986 payable in monthly installments of not less than \$133.00 per month, the first installment to be paid on the 10th day of October, 1986, and a further installment on the 10th day of every month thereafter. All payments shall be applied first to accrued interest and then to principal.

Vendee agrees to make said payments promptly on the dates above named to the order of the Vendor, or the survivors of them, at the address of 4021 Greensprings Drive, Klamath Falls, Oregon 97601; to keep said property at all times in as good condition as the same now are, that no improvement, now on or which may hereafter be placed on said property shall be removed or destroyed before the entire purchase price has been paid and that said property will be kept insured in companies approved by Vendor against loss or damage by fire in a sum not less than the full insurable value of the property with loss payable to the parties as their respective interests may appear, said policy or policies of insurance to be held by Vendor; that Vendee shall pay regularly and seasonably and before the same shall become subject to interest charges, all taxes, assessments, liens and incumbrances of whatsoever nature and kind except the real property taxes for 1985-1986 which Vendor will pay upon the execution of the Agreement and agrees not to suffer or permit any part of said property to become subject to any taxes, assessments, liens, charges, or incumbrances whatsoever having precedence over rights of the vendor in and to said property. Vendee shall be entitled to the possession of said property at the time of execution of this Agreement.

Vendor will on the execution hereof make and execute in favor of Vendee good and sufficient warranty deed conveying a fee simple title to said property free and clear as of this date of all incumbrances whatsoever, except those reservations, restrictions, easements and rights of way of record and those apparent on the land referred to above, and will promptly deliver said deed to Vendee upon full payment of the principal balance and interest as provided above.

In the event Vendee shall fail to make the payments aforesaid, or any of them, punctually and upon the strict terms and or the times above specified, or fail to keep any of the other terms or conditions of this agreement, time of payment and strict performance being declared to be the essence of this agreement, then vendor shall have the following rights: (1) To foreclose this contract by strict foreclosure in equity; (2) To declare the full unpaid balance immediately due and payable; (3) To specifically enforce the terms of the agreement by suit in equity; (4) To declare a forfeiture of this Contract.

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

In the event the within described property, or any part thereof, or any interest therein is sold, agreed to be sold, conveyed, assigned or alienated by the Vendee without first having obtained the written consent or approval of the beneficiary, then, at the Vendor's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or herein, shall become immediately due and payable.

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In the event suit or action is instituted to foreclose or to enforce any of the provisions hereof, the prevailing party in such suit or action shall be entitled to receive from the other party his costs which shall include the reasonable cost of title report and title search and such sums as the trial court and or appellate court, if on appeal is taken, may adjudge reasonable as attorney's fees to be allowed the prevailing party in said suit or action and or appeal, if an appeal is taken.

Vendee further agrees that failure by Vendor at any time to require performance by Vendee of any provision hereof shall in no way affect Vendor's rights hereunder to enforce the same, nor shall any waiver by Vendor of such 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.

In construing this contract, it is understood that Vendor or the Vendee may be more than one person; 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 instrument will not allow use of the property described in this instrument 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.

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

Witness the hands of the parties the day and year first herein written.

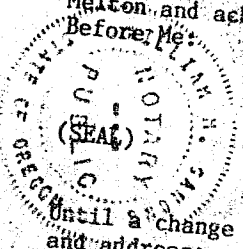
Julia Marie Kimsey
Julia Marie Kimsey

George Melton
George Melton

Hazel Melton
Hazel Melton

STATE OF OREGON)
) SS
County of Klamath)

Personally appeared the above named Julia Marie Kimsey, George Melton and Hazel Melton and acknowledged the foregoing instrument to be their voluntary act and deed.



William M. Ganong
Notary Public for Oregon 11-2-86

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

Ms. Julia Marie Kimsey
4021 Greensprings Drive
Klamath Falls, OR 97601

After recording return to: William M. Ganong
Attorney at Law
1151 Pine Street
Klamath Falls, OR 97601

STATE OF OREGON, ss.
County of Klamath

Filed for record at request of:

on this 22nd day of Oct. A.D., 19 86
at 8:41 o'clock A M. and duly recorded
in Vol. MB6 of Deeds Page 19194
Evalyn Biehn, County Clerk
By [Signature]

Deputy.

Fee, \$9.00