

THIS CONTRACT, made and entered into this 26th day of March, 1987, by and between CLIFFORD SHUCK and HELEN SHUCK, husband and wife, hereinafter called Seller; CLAYCO PETROLEUM CORPORATION, a Delaware corporation, hereinafter called Buyer; and BRUCE J. CLAYMAN hereinafter called Guarantor (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 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 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.

It is mutually agreed as follows:

1. **Possession:** Buyer shall be entitled to possession of the property as of the date hereof;
2. **Prepayment Privileges:** 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 proper receipt therefore;
4. **Insurance:** Buyer shall keep any buildings on such property insured against loss or damage by fire or other casualty in an amount of 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

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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, grass or shrubbery without Seller's 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.~~ HLS

IT IS BUYERS INTENT TO RENOVATE THE PROPERTY AND SELLERS AGREE TO SAME. HLS
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 hereinbefore, and will place said document, together with one of these agreements, in escrow at Mountain Title Company, 407 Main Street, Klamath Falls, Oregon 97601, shall enter into written escrow instructions in form satisfactory to said escrow holder and the parties hereto, instruct 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 to the said tax statement.

SELLER SHALL DIRECT THE COUNTY TO SEND THE TAX STATEMENT TO THE VENDEE IN THIS CONTRACT HLS
8. **Property Taken "As Is":** Buyer and Guarantor certify that this contract of purchase is accepted and executed on the basis of their own examination and personal knowledge of the premises and opinion of the value thereof; that Buyer and Guarantor have made a personal inspection of the property so as to determine its acceptability; that no attempt has been made to influence their 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 and Guarantor take 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. Such consent shall not be unreasonably withheld. 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; DEFAULT PERIOD SHALL BE CONSIDERED 30 DAYS

AFTER THE DUE DATE OF ANY ONE PAYMENT.

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.

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 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 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. **Purchase Price and Payments:** The purchase price for the interest conveyed is the sum of TWENTY-TWO THOUSAND FIVE HUNDRED AND NO/100THS DOLLARS (\$22,500.00), payable as follows:

a) Buyer shall be required to pay one-half (1/2) of closing costs, escrow fees, recordation costs, title policy costs, as well as all tax and utility prorates, all of which sums are to be paid at the time of closing; and

b) Buyer shall pay an initial payment in the sum of TWO THOUSAND FIVE HUNDRED AND NO/100THS DOLLARS (\$2,500.00); and

c) The remaining entire purchase price in the amount of TWENTY THOUSAND AND NO/100THS DOLLARS (\$20,000.00) shall be payable in monthly installments of TWO HUNDRED AND NO/100THS DOLLARS (\$200.00) including interest at the rate of nine percent (9%) per annum on the unpaid balance, which said sum includes principal and interest; together with the applicable collection escrow fee; the first of such payments shall be payable on the 1st day of May 1987, with a further and like installment payable on the 1st day of each and every month thereafter, until the full amount of principal and interest shall have been paid in full;

17. **Escrow Funds Distribution:** It is understood by and between the parties that the real property being conveyed by the within instrument is encumbered by a certain note and trust deed, more particularly described on the attached Exhibit "A", owing to ADELIA DYE aka ADELIA DYE LAZARUS; BONNIE JEAN AYLES; and GRAND LODGE OF A. F. & A. M. OF OREGON. It is agreed that the escrow holder named herein, or its successor, upon receipt of payments from buyer, shall remit the same in payment of the obligation owing to ADELIA DYE aka ADELIA DYE LAZARUS; BONNIE JEAN AYLES; and THE GRAND LODGE OF A. F. & A. M. OF OREGON, until the said obligation has been paid in full. Seller agrees that the proceeds from payments made hereunder by Buyer shall be utilized by Seller (and the named escrow agent) in payment of the aforesaid obligation, which Buyers do not assume;

18. **Late Payment Penalty:** In addition to any other remedies afforded the Sellers herein, Sellers shall be entitled to receive payment in the amount of TWENTY AND NO/100THS DOLLARS (\$20.00) in addition to the regularly scheduled payments set forth in paragraph 16 hereinabove, TWO HUNDRED AND NO/100THS DOLLARS (\$200.00) together with the applicable collection escrow fee, as and for a late payment charge, should Buyer fail to make any payment required to be made hereunder within ten (10) days of the date due. Seller shall be required to notify both Buyer and the escrow agent named herein 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;

19. **Guaranty:** In consideration of the extension of credit and the granting of possession of the real property referred to by the within instrument, the undersigned, Bruce J. Clayman referred to herein as Guarantor, absolutely and unconditionally guarantees the full, prompt and faithful payment as due of any and all indebtedness of Buyer to Seller, including any indebtedness which may now or hereafter be acquired in compliance with the terms and provisions of the Land Sale Contract. Bruce J. Clayman absolutely and unconditionally further guarantees the full, prompt and faithful performance by Buyer of any and all terms, conditions and covenants required to be performed by the Buyer under the within instrument, or any other instrument or obligation evidencing or securing Buyer's responsibility to Seller under the within instrument. It is agreed that:


- a) This is a continuing guaranty; and
- b) This guaranty shall be binding upon the undersigned and the undersigned's heirs, executors and administrators; and
- c) The undersigned expressly waives presentment, demand, protest or notice of any kind, and hereby consents to any extension of time of payment, performance, or renewal or modification of any instrument or obligation or indebtedness guaranteed; and
- d) This guaranty includes, without limitation (1) the full, prompt and faithful payment of the amount of any damages or deficiencies suffered or incurred by Seller by reason of any default by Buyer in connection with any indebtedness or as provided in any instrument evidencing or securing such indebtedness resultant from the requirement of performance of the terms and conditions of the within Land Sale Contract, and (2) the full, prompt and faithful payment of all attorney's fees, costs and expenses reasonably incurred by Seller in the enforcement of this guaranty, and the terms and provisions of the within Land Sale Contract; and
- e) No amendment, refinancing, extension or transfer of any instrument, obligation, or indebtedness guaranteed, or waiver of variation of any of the terms and conditions or change in the time or the amount of payment due, will affect the liability of Guarantor under this guaranty; and
- f) All rights of Seller shall inure to the benefit of Seller's successors or assigns.

20. **Notice:** No declaration of default pursuant to paragraph 11 hereinabove shall be effective unless Seller shall have first sent to Buyer and Guarantor a notice in writing evidencing Seller's intention to declare such default, which said notice shall afford Buyer and Guarantor fifteen (15) days from the date of mailing of such notice to remedy the breach complained of. Notice, when in writing, shall be effective when mailed to the addresses as follows:

Seller: CLIFFORD SHUCK
HELEN SHUCK
1888 Melrose
Klamath Falls, OR 97601

LAND SALE CONTRACT - PAGE FIVE

THE VENDOR UNDER THIS CONTRACT FORTHWITH AGREES THAT WHEN THE UNDERLYING LIEN HAS BEEN PAID IN FULL (LAZARUS CONTRACT) THEN THE VENDOR WILL ALLOW THIS CONTRACT, AT THE BUYERS OPTION, TO BE CONVERTED TO A TRUST DEED. BUYER-VENDEE UNDERSTANDS THAT IF THEY SHOULD WANT TO CONVERT TO A TRUST DEED ALL COSTS OF THAT CONVERSION SHALL BE PAID BY THE VENDEE.



Buyer: CLAYCO PETROLEUM CORPORATION
 1418 ~~1418~~ Ivory ~~1418~~
 Klamath Falls, OR 97603

Guarantor: BRUCE J. CLAYMAN
 1418 ~~1418~~ Ivory ~~1418~~
 Klamath Falls, OR 97603

IN WITNESS WHEREOF, the parties have caused this agreement to be executed this 27 day of March, 1987.

BUYER:

CLAYCO PETROLEUM CORPORATION

BY:

PROSIDENT
 PRESIDENT

GUARANTOR:

BRUCE J. CLAYMAN
 INDIVIDUALLY

SELLER:

BY:

CLIFFORD SHUCK
 CLIFFORD SHUCK

BY:

HELEN SHUCK
 HELEN SHUCK

STATE OF OREGON/County of Klamath) ss.

PERSONALLY appeared Bruce J. Clayman, who being duly sworn, did say that he is the said President of the within named corporation, and that the seal affixed to said instrument is the corporate seal of said corporation, and that the said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be its voluntary act and deed.

Dated before me this 30th day of March, 1987.

Linda Steele
 NOTARY PUBLIC FOR OREGON

My Commission Expires: 7/13/89

STATE OF OREGON/County of Klamath) ss.

PERSONALLY APPEARED the above-named BRUCE J. CLAYMAN, and acknowledged the foregoing instrument to be his voluntary act and deed.

Dated before me this 30th day of March, 1987.

Linda Steele
 NOTARY PUBLIC FOR OREGON

My Commission Expires: 7/13/89

RETURN:
 MOUNTAIN TITLE COMPANY

LAND SALE CONTRACT - PAGE SIX

TAXES:

Clayco Petroleum Products
 1418 Ivory
 Klamath Falls, Oregon 97603

STATE OF OREGON/County of Klamath) ss.

PERSONALLY APPEARED the above-named CLIFFORD SHUCK and acknowledged the foregoing instrument to be his voluntary act and deed.

Dated before me this 26th day of March, 1987.

Kimela Spencer
NOTARY PUBLIC FOR OREGON
My Commission Expires: 8/16/88

STATE OF OREGON/County of Klamath) ss.

PERSONALLY APPEARED the above-named HELEN SHUCK and acknowledged the foregoing instrument to be her voluntary act and deed.

Dated before me this 26th day of March, 1987.

Kimela Spencer
NOTARY PUBLIC FOR OREGON
My Commission Expires: 8/16/88

Grantor's Name and Address:

CLIFFORD SHUCK
HELEN SHUCK
1888 Melrose
Klamath Falls, OR 97601

Grantee's Name and Address:

CLAYCO PETROLEUM CORPORATION
1416 ~~1014~~ Ivory Street,
Klamath Falls, OR 97603

After Recording, Return To:

M.T.C.

Until a Change is Requested
Tax Statements Should be
Sent To: GRANTEE

STATE OF OREGON/County of Klamath) ss.

I certify that the within instrument was received for record on the _____ day of March, 1987, 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: _____

EXHIBIT "A"

(Attached to and made a part of the
Shuck-Clayco Petroleum Corporation-
Clayman Land Sale Contract)

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ALL THAT CERTAIN REAL PROPERTY located in the County of
Klamath, State of Oregon, legally described as follows,
to-wit:

The Northerly 35 feet of Lots 1 and 2, Block
307, DARROW 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 contacts 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.

ALSO SUBJECT TO rights of the public in and to any
portion of the herein described property lying within
the boundaries of roads or highways.

ALSO SUBJECT TO city lien in favor of the City of
Klamath Falls: Improvement 295, Card 568, Docketed
September 6, 1984, Original Amount \$313.98, Unpaid
Balance \$251.18, plus interest., which Buyer agrees to
assume and to pay and to hold Seller harmless
therefrom.

ALSO SUBJECT TO Real Estate Contract, including the
terms and provisions thereof, dated August 24, 1976,
recorded September 1, 1976, in Volume M76, page 13707,
Microfilm Records of Klamath County, Oregon, wherein
the Vendor is ADELIA DYE LAZARUS aka ADELIA DYE, and
the Vendee is CLIFFORD SHUCK and HELEN SHUCK, husband
and wife. The Vendors' interest in said Real Estate
Contract was assigned by instrument dated August 4,
1982, recorded August 9, 1982, in Volume M82, page
10132, Microfilm Records of Klamath County, Oregon,
from ADELIA DYE LAZARUS, aka ADELIA DYE, to ADELIA DYE
LAZARUS and BONNIE JEAN AYLES, as joint tenants with
right of survivorship. The Vendors' interest of ADELIA
DYE was assigned by instrument dated September 27,
1984, recorded October 4, 1984, in Volume M84, page
17107, Microfilm Records of Klamath County, Oregon;
re-recorded on December 6, 1984, in Volume M84, page
20469, Microfilm Records of Klamath County, Oregon, to
THE GRAND LODGE OF A. F. & A. M. OF OREGON, which Buyer
does not assume, but which is to be paid from out of
the proceeds in payment of the within contract.

LAND SALE CONTRACT - PAGE EIGHT

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Company the 31st day
of March A.D., 19 87 at 10:06 o'clock A M., and duly recorded in Vol. M87
of Deeds on Page 5257.

FEE \$33.00

Evelyn Biehn, County Clerk
By [Signature]