

AGREEMENT FOR SALE OF REAL PROPERTY

THIS AGREEMENT is made by and between CHICAGO TITLE INSURANCE COMPANY OF formerly Safeco Title Insurance Company of Oregon OREGON, /an Oregon corporation, hereinafter referred to as Seller, and DONNA M. MITCHELL, hereinafter referred to as Purchaser.

Seller owns the real property location in KLAMATH County, Oregon, and described in attached Exhibit "A" (the Property).

Seller agrees to sell the Property to Purchaser and Purchaser agrees to buy the Property from Seller for the price and on the terms and conditions set forth below:

1. Purchase Price. Purchaser agrees to pay Seller as the total purchase price for the Property the sum of \$50,000.

2. Payment. Purchaser shall pay on the Closing Date, as defined in Paragraph 7, the sum of \$2,500 as down payment on the purchase price. Interest on the remaining balance of \$47,500 shall accrue at the rate of nine percent (9%) per annum from the Closing Date. The unpaid balance of the purchase price shall be paid in monthly installments of \$404.87 each, including interest, with the first installment due on March 1, 1989 and with subsequent installments due on the 1st day of each month thereafter. Each payment shall be applied to interest to the date of payment and the balance to principal. An additional down payment of \$2,500 shall be paid on or before June 1, 1989.

All unpaid principal and all accrued but unpaid interest shall be paid in full on or before January 1, 1999.

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3. Prepayment. Purchaser shall have the right to prepay all or any part of the unpaid balance at any time without a prepayment penalty. In the event of a partial prepayment, the payments required under Paragraph 2 shall be reduced accordingly to reflect the reduction in the outstanding principal balance.

4. Taxes and Liens. Real Property taxes for the tax year 1988-1989 upon the Property shall be prorated between Seller and Purchaser as of the Closing Date. Real property taxes for the tax year 1989-1990 and all taxes, assessments or other similar charges thereafter levied against the Property shall be paid by Purchaser immediately upon their becoming due and payable. Purchaser shall not permit any liens, public or private, on the Property and shall pay any such liens which may hereafter be imposed upon the Property within ten (10) days after such liens become effective. Purchaser shall promptly provide Seller with proof of payment of such taxes, assessments, charges or liens. Trust deed recorded in Volume M77, Page 20255 will be paid by seller.

5. Insurance. Purchaser shall keep any improvements now or hereafter located upon the real property insured against loss by fire or other casualty, with standard extended coverage endorsement, in an amount not less than the full replacement value thereof, with loss payable to the parties hereto as their interests appear at the time of loss, with priority in payment to Seller. Any amount received by Seller under such insurance payment of a loss shall be applied upon the unpaid balance of the purchase price. No such insurance shall be cancelable or reduced by the insurer without at least 30 days' written notice to Seller. All uninsured losses shall be borne by Purchaser. Purchaser shall promptly furnish proof of insurance to Seller.

6. Delinquent Charges. In the event Purchaser fails to pay any assessment or tax upon the Property promptly as the same becomes due, or shall fail to maintain insurance as herein provided, or shall fail to remove immediately any lien imposed upon the Property by reason of any contract, act or omission of the Purchaser, seller shall have the right to pay the amount of such assessment, tax, insurance premium or lien obligation, and in such event Seller may add the amount of such payment and any expenses incurred in connection therewith to the balance remaining due under this agreement. All such payment shall bear interest at a rate equal to the lesser of fifteen percent (15%) per annum or the highest rate permitted by applicable law. In the event Purchaser fails to pay any payment due under Paragraph 1 within 15 days of the date on which it becomes due, Seller may impose upon Purchaser a late charge equal to five percent (5%) of such payment. All rights of Seller under this paragraph shall be in addition to the right to declare a default under the provisions of this agreement.

7. Closing. Closing shall take place in escrow on January 30, 1988 (the Closing Date), at Mountain Title Company, Klamath Falls, Oregon, unless a different date and place are fixed by the parties. Each of the parties shall pay one-half of the escrow fee. Each of the parties will pay one-half of any transfer tax imposed by state or local authorities.

8. Possession. Purchaser shall be entitled to possession of the Property on the day following the Closing Date.

9. Title Insurance. Seller shall furnish to Purchaser in due course a purchaser's title insurance policy in the amount of the purchase price insuring Purchaser against loss or damage which might be sustained by reason of any defect in the title of Seller, excepting encumbrances and easements of record.

10. Delivery of Deed. Upon full payment of the purchase price and performance by Purchaser of all terms, conditions and provisions of this agreement, Seller shall deliver to Purchaser a Statutory Special Warranty Deed conveying the real property described in Exhibit "A" unto Purchaser, free and clear of all encumbrances permitted or arising by, through or under Seller, and excepting zoning ordinances, building restrictions, taxes due and payable and further excepting all liens and encumbrances created by Purchaser or Purchaser's assigns.

11. Improvements, Alterations and Repairs. All improvements now located or which shall hereafter be placed on the Property shall remain a part of the Property and shall not be removed at any time prior to the expiration of this agreement without the prior written consent of the Seller. Purchaser shall not commit or suffer any waste of the Property or any improvements thereon, or alterations thereof, and shall maintain the Property, and all improvements thereon, and all alterations thereof, in good condition and repair. Purchaser shall not otherwise make or cause to be made any improvements or alterations to the Property without first obtaining the written consent of Seller.

12. Representations. Purchaser certifies that this contract of purchase is accepted and executed on the basis of Purchaser's own examination and personal knowledge of the premises and opinion of the value thereof; that no attempt has been made to influence the judgment of Purchaser; that no representations as to the condition or repair of said premises have been made by Seller or by an agent of Seller; that no agreement or promise to alter, repair, or improve said premises has been made by Seller or any agent of Seller; and that Purchaser takes such real property in the condition existing at the time of this agreement, with all deficiencies, as is.

13. Restriction on Transfer. No interest in this contract or in and to the Property which is the subject hereof, or any portion thereof, shall be sold, conveyed, assigned, leased or transferred in any manner by Purchaser without the written consent of Seller.

14. Default; Remedies. Time is of the essence of this agreement. In the event that the Purchaser fails to perform any of the terms of this agreement, the Seller shall, at the option of the Seller, have the following rights:

- (a) To foreclose this contract by strict foreclosure in equity;
- (b) To declare the full unpaid balance of the purchase price immediately due and payable;
- (c) To specifically enforce the terms of this agreement by suit in equity;
- (d) To declare this agreement null and void as of the date of the breach and to retain as liquidated damages the amount of the payment theretofore made upon said premises. Under this option, all of the right, title and interest of the Purchaser shall revert and revest in Seller without any act of re-entry or without any other act by Seller to be performed, and Purchaser agrees to peaceably surrender the premises to Seller, or in default thereof, Purchaser may, at the option of Seller, be treated as a tenant holding over unlawfully after the expiration of a lease and may be ousted and removed as such.

The rights provided for in subparagraph (b) above may be exercised concurrently and jointly with the rights provided for in subparagraphs (a) and (c). The granting to the Seller of the foregoing rights shall not pre-clude the Seller from exercising any other remedy available to the Seller at law or in equity.

15. Waiver. No waiver of any right arising out of a breach of any covenant, term or condition of this agreement shall be a waiver of any right arising out of any other or subsequent breach of the same or any other covenant, term or condition or a waiver of the covenant, term or condition itself.

16. Interpretation. The covenants, conditions and terms of this agreement shall extend to and be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto, provided, however, that nothing contained in this paragraph shall alter the restrictions hereinabove contained relating to transfer of the Purchaser's interest.

17. Legal Fees and Costs. In the event of a default by Purchaser hereunder, Purchaser agrees to pay the reasonable attorney's fees and other costs incurred by the Seller in enforcing or commencing to enforce the provisions of this agreement. In the event any legal proceeding is commenced for the purpose of enforcing or interpreting any of the provisions of this agreement, the prevailing party shall be entitled to recover a reasonable attorney's fee in such proceeding, or any appeal thereof, to be set by the court, in addition to costs and disbursements allowed by law. Specifically, whether or not a legal proceeding is commenced, costs and expenses shall be deemed to include the reasonable expenses of searching and examining real property records and obtaining a title report or reports.

18. Notices. All notices, requests, demands and other communications under this agreement shall be in writing and shall be deemed to have been given at the time when mailed at any general or branch office of the United States Postal Service by registered or certified mail, in a first class postage prepaid envelope addressed as follows:

To Seller: CHICAGO TITLE INSURANCE COMPANY OF OREGON
1211 S. W. FIFTH AVENUE, SUITE 2154
PORTLAND, OREGON 97204

To Purchaser: DONNA M. MITCHELL

286 Lustruos
Oceanside, CA 92056

Either party may change such address by notice to the other party; provided, however, that any notice of change of address shall be effective only upon receipt.

19. Severability. In the event that any one or more provisions of this agreement shall be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability provisions contained herein shall not in any way be affected or impaired thereby.

20. Integrated Agreement. This document is the entire, final and complete agreement of the parties pertaining to the sale and purchase of the Property, and supersedes and replaces all written and oral agreements heretofore made or existing by and between the parties or their representatives insofar as the Property is concerned.

21. Captions. The captions to the paragraphs of this agreement are for convenience only, and shall not be considered as part of the agreement in any respect nor shall they in any way affect the substance of any provisions contained in this agreement.

22. Governing Law. This agreement shall be governed by the laws of the State of Oregon.

23. Recording. At the option of Seller, either this agreement or a memorandum thereof may be recorded.

24. USE. 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 AND COUNTY PLANNING DEPARTMENT TO VERIFY USES.

IN WITNESS WHEREOF, the parties have executed this agreement as of

SELLER:

1-3, 1989.

CHICAGO TITLE INS. CO. by Alan K. Brickley V.P.

PURCHASER:

Donna M. Mitchell

State of Oregon
County of Multnomah

The foregoing instrument was acknowledged before me this 3rd day of January, 1989 by ALAN K. BRICKLEY, Vice President of CHICAGO TITLE INSURANCE COMPANY OF OREGON, on behalf of the corporation.

Laundrea Sue Kay
Notary Public for Oregon
My Commission Expires: 1-29-89

State of California
County of San Diego

The foregoing instrument was acknowledged before me this 26th day of January, 1989 by DONNA M. MITCHELL.

Hildegard J. Espinoza
Notary Public for California
My Commission Expires: March 29, 1991

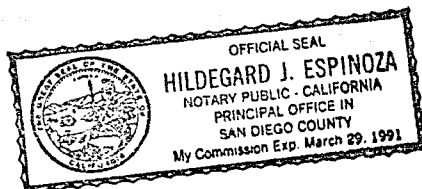


EXHIBIT "A"
LEGAL DESCRIPTION

That portion of Lot 15 in Block 42 of HOT SPRINGS ADDITION to the City of Klamath Falls, Oregon, and that portion of Block 1A of WILLIAMS ADDITION to the City of Klamath Falls, Oregon, according to the duly recorded plat thereof on file in the office of the County Clerk of Klamath County, Oregon, more particularly described as follows:

Beginning at a point which is the Southeasterly corner of said Lot 15 in Block 42, HOT SPRINGS ADDITION to the City of Klamath Falls, Oregon, and also the Northeasterly corner of Block 1A of WILLIAMS ADDITION to said City and running thence South 20 degrees 55' East along the Southwesterly line of Pacific Terrace, a distance of 66.7 feet to a point which is the Southeasterly corner of said Block 1A; thence North 66 degrees 05' West along the Southwesterly boundary of said Block 1A a distance of 117.0 feet to a point; thence North 41 degrees 20' East a distance of 20.9 feet to a point that is on the boundary line between said Lot 15 and Block 1A mentioned above; thence continuing on the same bearing a distance of 73 feet to a point on the Easterly line of said Lot 15; thence South 20 degrees 55' East along the Southwesterly line of Pacific Terrace, a distance of 59.5 feet to the point of beginning.

Tax Account No: 3809 028CD 05700

After recording return to:
Mountain Title Co.

Tax Statements to:
Donna M Mitchell
286 Lustrous
Oceanside, CA 92056

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co. the 7th day
of Feb. A.D., 19 89 at 8:52 o'clock AM., and duly recorded in Vol. M89,
of Deeds on Page 2333.
By Evelyn Biehn County Clerk
Pauline Mullins

FEE \$48.00