

Aspen #04033044

CONTRACT OF SALE

DATED: February 8, 1989BETWEEN: HAROLD W. HALLELAINE M. HALL SELLERAND MICHAEL G. WHITEDEBBIE L. WHITE PURCHASER

Seller owns the real property located in Klamath County, Oregon and described as:

SEE ATTACHED EXHIBIT "A"

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:

SECTION 1. PURCHASE PRICE; PAYMENT

1.1 Purchase Price. The purchase price of \$63,000.00 shall be paid as follows:

(a) The sum of \$1000.00 which has previously been paid as earnest money.

(b) The sum of \$11,000.00 which is the balance of the down payment and will be paid upon closing.

(c) The sum of \$27,847.29 will be paid by purchaser assuming and agreeing to pay Seller's Note and Trust Deed payable to Klamath First Federal Savings and Loan Association which is payable in monthly installments of not less than \$276.48 including an interest rate of 9 3/4 percent per annum.

(d) The balance of the purchase price which is the sum of \$23,152.71 shall be paid in the monthly installments of \$305.96, including interest at the rate of 10 percent per annum first payment due and payable on March 15, 1989.

1.2 Prepayments. At any time Purchaser may prepay all or any portion of the unpaid principal. All prepayments shall be applied to the last installments due under this Contract; and shall not excuse Purchaser from making the regular payments due

under this Contract until the remaining balance has been paid in full.

1.3 Place of Payments. All payments to the Seller shall be made to Seller at Klamath First Federal Savings and Loan Association, 540 Main Street, Klamath Falls, Oregon 97601.

1.4 Tax Statement. Until a change is requested, all Tax Statements shall be sent to: Michael G. White Rt 2, Box 381, Bonanza, Oregon 97623.

SECTION 2. TAXES AND LIENS

2.1 Obligation To Pay. All ad valorem real property taxes and all governmental or other assessments levied against the Property for the current tax year shall be prorated between Seller and Purchaser as of February 15, 1989. Purchaser shall pay when due all taxes and assessments which are levied against the property after February 15, 1989.

2.2 Right To Contest. If purchaser objects in good faith to the validity or amount of any tax, assessment or lien, Purchaser at Purchaser's sole expense, may contest the validity or amount of the tax or assessment or lien provided that Seller's security interest in the Property is not jeopardized. Purchaser shall otherwise keep the Property free from all liens which may be lawfully imposed upon the Property after closing, other than the lien of current taxes not yet due or payable.

2.3 Tax Statements. Purchaser shall upon demand provide Seller with written evidence reasonably satisfactory to Seller that all taxes and assessments have been paid when due.

2.4 Liens. Purchaser shall otherwise keep the Property free from all liens which may be lawfully imposed upon the Property after the date of closing.

SECTION 3. CLOSING

3.1 Closing Date. This transaction shall be closed on February 15, 1989. As used in this Contract the "Closing Date" means the date on which the Escrow agent is prepared to disburse funds. This closing shall occur at the offices of Aspen Title & Escrow, 600 Main Street, Klamath Falls, Oregon.

3.2 Responsibility of Parties. At closing Purchaser shall pay the amount of cash specified in Section 1.1 above, and Seller shall have received a commitment for the issuance of a purchaser's policy of title insurance as described in Section 9.

SECTION 7. INDEMNIFICATION

Purchaser shall forever defend, indemnify and hold Seller harmless from any claim, loss or liability arising out of or in any way connected with Purchaser's possession or use of the Property, Purchaser's conduct with respect to the Property or any condition of the Property. In the event of any litigation or proceeding brought against Seller and arising out of or in any way connected with any of the above events or claims, against which Purchaser agrees to defend Seller, Purchaser shall, upon notice from Seller, vigorously resist and defend such actions or proceedings through legal counsel reasonably satisfactory to Seller.

SECTION 8. COVENANTS OF SELLER

8.1 Covenants of Title. Seller warrants that Seller is the owner of good and marketable title in fee simple to the Property free of all liens and encumbrances except:

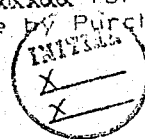
1. Taxes for the fiscal year 1988-1989, partially paid.
Original Amount: \$1,147.78 Balance due: \$765.18.
2. Conditions, Restrictions as shown on the recorded plat of PLUMB LODGE, a Land Partition.
3. Seller will warrant and defend the title to the premises against all lawful claims.
4. Premises will be delivered in good repair reasonable wear and tear accepted.

SECTION 9. TITLE INSURANCE (PURCHASER'S POLICY)

Seller shall furnish at Seller's expense a purchaser's title insurance policy in the amount of \$63,000. within 10 days from the Closing Date, insuring Purchaser against loss or damage sustained by Purchaser by reason of the unmarketability of Seller's title, or liens or encumbrances affecting the Property, excepting matters contained in the usual printed exceptions in such title insurance policies, and those referred to in paragraph 8.1 of this Contract.

SECTION 10. DEED

Contract balance of \$23,152.71, plus interest,
Upon payment of the total/~~XXXXXXXXXXXX~~ for the Property and
provided in this Contract and performance by Purchaser of all



other terms, conditions, and provisions of this Contract. Sellers escrow agent set forth above shall forthwith deliver to Purchaser a good and sufficient statutory warranty deed conveying the Property free and clear of all liens and encumbrances, except all liens or encumbrances suffered by or placed upon the Property by Purchaser subsequent to the date of this Contract, and except the existing loan in favor of Klamath First Federal as described on Page 1 hereof.

SECTION 11. DEFAULT

11.1 Events of Default. Time is of the essence of this Contract. A default shall occur under any of the following circumstances.

(a) Failure of Purchaser to make any payment within 10 days after it is due. No notice of default and no opportunity to cure shall be required if during any 12 month period Seller has already sent two notices to Purchaser concerning nonpayment or late payment under this Contract.

(b) Failure of Purchaser to perform any other obligation contained in this Contract within 30 days after notice from Seller specifying the nature of the default or, if the default cannot be cured within 30 days, failure within such time to commence and pursue curative action with reasonable diligence. No notice of default and no opportunity to cure shall be required if during any 12 month period Seller has already sent a notice to Purchaser concerning default in the performance of the same obligation.

11.2 Remedies on Default. In the event of a default, Seller may take any one or more of the following steps:

(a) Declare the entire balance of the purchase price and interest immediately due and payable;

(b) Foreclose this Contract by suit in equity;

(c) Specifically enforce the terms of this Contract by suit in equity;

(d) After complying with the notice requirements and right to cure the default contained in ORS 93.905 - 93.940, Seller may declare this Contract forfeited and retain the amount of the payments previously made under this Contract. Upon recordation of the affidavit required by Oregon law, this Contract shall be extinguished and canceled, and Purchaser shall have no further right, title, or interest in and to the real property or to any return or compensation for payments previously made under this

3.3 Prorates and Closing Costs. Except as otherwise provided in this Contract, all items to be prorated shall be prorated as of February 15, 1989. Seller shall be responsible for payment of the title insurance premium, the real estate commission and one half of the escrow fee. Purchaser shall be responsible for payment of the recording fees for recording a memorandum of this contract and one half of the Escrow Fee.

3.4 Collection Escrow. Seller shall deliver to Klamath First Federal Savings and Loan Association as escrow agent the deed described in Section 10, together with suitable instructions for authorizing delivery after all payments have been made and all other obligations of purchaser under this contract have been fulfilled. Cost of setting up such escrow shall be evenly divided between Purchaser and Seller. Periodic collection fees shall be paid by Seller.

SECTION 4. POSSESSION EXISTING TENANCIES

4.1 Possession. Purchaser shall be entitled to possession of the Property on February 15, 1989 or such earlier time as the Property may be vacated. Seller will assume any expense required to enforce the provisions of this paragraph.

SECTION 5. MAINTENANCE

5.1 Maintenance. Purchaser shall keep all buildings, other improvements, and the landscape now existing or which shall be placed on the Property in good condition and repair, and shall not permit any waste or removal of the improvements, nor make any substantial improvements or alterations which reduce the value of the Property for security purposes without the prior written consent of Seller.

SECTION 6. INSURANCE

6.1 Property Damage Insurance. Purchaser shall procure and maintain policies of fire insurance with standard extended coverage endorsements of a replacement cost basis covering all improvements on the Property in an amount sufficient to avoid application of any coinsurance clause and with loss payable to Seller and Purchaser as their respective interests may appear. The policies shall be written in such form with such terms and by such insurance companies reasonably acceptable to Seller. Purchaser shall deliver to Seller certificates of coverage from each insurer containing a stipulation that coverage will not be canceled or diminished without a minimum of 10 days' written notice to Seller. In the event of loss. Purchaser shall give immediate notice to Seller. Seller may make proof of loss if Purchaser fails to do so within 15 days of the casualty.

Contract, as though this Contract and such payments had never been made. In such event, Purchaser agrees to surrender the Property to Seller. If Purchaser fails to do so, Seller may elect to treat Purchaser as a tenant holding over unlawfully after the expiration of a lease, and Purchaser may be ousted and removed as such, without affecting Seller's right to pursue other rights and remedies contained in this Contract or permitted by law.

11.3 Remedies Nonexclusive. The remedies provided above shall be nonexclusive and in addition to any other remedies provided by law.

SECTION 12. WAIVER

Failure of either party at anytime to require performance of any provision of this Contract shall not limit the party's right to enforce the provision, nor shall any waiver of any breach of any provision constitute a waiver of any succeeding breach of that provision or a waiver of that provision itself.

SECTION 13. SUCCESSOR INTERESTS

This contract shall be binding upon and inure to the benefit of the parties, their successors, and assigns but no interest of Purchaser shall be assigned, subcontracted, or otherwise transferred, voluntarily or involuntarily, without the prior written consent of Seller which consent shall not be unreasonably withheld. Consent by Seller to one transfer shall not constitute consent to other transfers or waiver of this section. Any attempted assignment in violation of this provision shall be void and of no effect with respect to Seller. Purchaser and any other person at any time obligated for the performance of the terms of this Contract hereby waive notice of and consent to any and all extensions and modifications of this Contract granted by Seller. Any such extensions or modifications will not in any way release, discharge, or otherwise affect the liability of any person at any time obligated under this Contract.

SECTION 14. PRIOR AGREEMENTS

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 prior or existing written and oral agreements (including any earnest money agreement) between the parties or their representatives relating to the Property.

SECTION 15. NOTICE

Any notice under this Contract shall be in writing and shall be effective when actually delivered in person or when deposited in the U.S. mail, registered or certified, postage prepaid and addressed to the party at the address stated in this Contract or such other address as either party may designate by written notice to the other.

SECTION 16. APPLICABLE LAW

This Contract has been entered into in Oregon and the Property is located in Oregon. The parties agree that the laws of the state of Oregon shall be utilized in construing the Contract and enforcing the rights and remedies of the parties.

SECTION 17. COSTS AND ATTORNEY FEES

In the event Seller or Purchaser shall take any action, judicial or otherwise, to enforce or interpret any of the terms of this Contract, the prevailing party shall be entitled to recover from the other party all expenses which it may reasonably incur in taking such action, including but not limited to costs incurred in searching records, the cost of title reports, surveyors reports and foreclosure reports and attorney fees, whether incurred in a suit or action or appeal from a judgment or decree therein or in connection with nonjudicial action.

SECTION 18. NUMBER, GENDER AND CAPTIONS

As used herein, the singular shall include the plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of this Contract.

SECTION 19. SURVIVAL OF COVENANTS

Any covenants the full performance of which is not required prior to the closing or final payment of the purchase price shall survive the closing and the final payment of the purchase price and be fully enforceable thereafter in accordance with their terms.

SECTION 20. REPRESENTATIONS; CONDITION OF PROPERTY

Purchaser accepts the land, buildings, improvements, heating system and all other aspects of the Property in their present

condition, AS IS, including latent defects, without any representations or warranties, expressed or implied, unless they are expressly set forth in this Contract or are in writing signed by Seller. Purchaser agrees that Purchaser has ascertained, from sources other than Seller, the applicable zoning, building, housing, and other regulatory ordinances and laws and that Purchaser accepts the Property with full awareness of these ordinances and laws as they may affect the present use or any intended future use of the Property, and the Seller has made no representations with respect to such laws or ordinances.

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 OF COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

The parties hereto acknowledge that this contract has been prepared by Robert D. Boivin, attorney for the Seller, solely on behalf of the Seller and that said attorney does not represent the Purchaser.

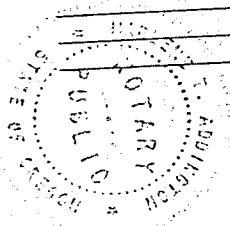
Michael J. White
Debbie P. White

Harold W. Hall
Elaine M. Hall

STATE OF OREGON)
) ss.
 County of Klamath)

On this 14th day of February, 1989, personally appeared before me the above named Harold W. Hall and Elaine M. Hall

and acknowledged the foregoing instrument to be his (her) voluntary act and deed.



Darlene T. Addington
 Notary Public for Oregon
 My commission expires: 3-22-89

A portion of the N 1/2 N 1/2 of Section 22, Township 38 South, Range 11 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

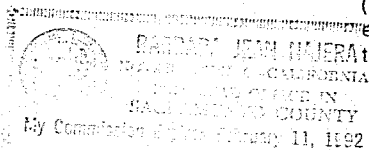
Beginning at the intersection of the South line of said North 1/2 of the North 1/2 with the Westerly line of Bly Mountain Cutoff Road and running thence along said Westerly road line.

- (1) North 15 degrees 58' West, 312 feet: thence leave said road line.
- (2) North 83 degrees 24' West, 740 feet; thence
- (3) Along the arc of a circular curve to the right with a radius of 100 feet and a central angle of 48 degrees 56', a distance of 102 feet more or less to a point; thence
- (4) North 89 degrees 44' West 650 feet to a point on the Westerly line of the NE 1/4 of the NW 1/4 of said Section 22; thence
- (5) Southerly along said Westerly line last named a distance of 431 feet to the Southwest corner of the NE 1/4 of the NW 1/4 of Section 22, said Southwest corner being a point on the South line of the North 1/2 of the North 1/2 of said Section 22; thence
- (6) Easterly along said South line a distance of 1540 feet to the point of beginning. Said property is also known as Lots 4 and 5 of PLUMB LODGE, a Land Partition, filed of record in the records of Klamath County, Oregon. All coordinates and footage per Land Partition 7-72

State of California)
) ss.
County of SACRAMENTO

On this 8th day of FEBRUARY in the year 89,
before me, Barbara Jean Najera
the undersigned Notary Public, State of California, duly commissioned
and sworn, personally appeared DEBBIE LYNN WHITE
MICHAEL GARY WHITE

() personally known to me, (H) proved to me on the basis of satisfactory
evidence to be the person(s) whose name(s) ARE subscribed to
this instrument and acknowledged that they executed it.



Barbara Jean Najera
Notary Public, State of California

Acknowledgment, General

DA 135 1285

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title Co. the 14th day
of Feb. A.D., 19 89 at 3:34 o'clock P.M., and duly recorded in Vol. M89,
of Deeds on Page 2826.

Evelyn Biehn, County Clerk

By Debbie Lynn White

FEE \$48.00

Return: A.T.C.