

Aspen Title # 04034326

This Agreement made and entered into this 1st day of December, 1989, by and between James F. Harellson and Valery Haughton

hereinafter called the vendor, and

David L. Knapp and Diantha Knapp, husband and wife

hereinafter called the vendee

WITNESSETH

that the 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:

AS SHOWN ON ATTACHED EXHIBIT A

... and for a price of \$ 35,000.00, payable as follows, to-wit: \$2,655.00 by credit on previous option agreement, \$ 2,345.00 at the time of the execution of this agreement, the receipt of which is hereby acknowledged, \$ 30,000.00 with interest at the rate of 10.5% per annum from December 1, 1989 to January 1, 1990, payable in installments of not less than \$500.00 per month commencing on the 1st day of January, 1990, and further installment on the 1st day of every month thereafter until the full balance and interest are paid. The monthly payments include 1/12th of the annual taxes on the subject property. In the event the real property taxes should increase or decrease from the current amt for the tax year 1989-90, (\$44.50), the monthly payment shall increase or decrease accordingly. Beginning 11/15/90, the vendors shall present to the escrow holder a paid receipt for the real property taxes. The escrow holder shall add the amt of the taxes to the unpaid balance of the contract.

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 Aspen Title & Escrow, Inc.

at Klamath Falls, Oregon; 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 \$ full insurable value with loss payable to the parties as their respective interests may appear, said policy or policies of insurance to be held by vendee; copy to vendors that vendee shall pay regularly and promptly, and before the same shall become subject to interest charges, all taxes, assessments, liens, and incumbrances of whichsoever nature and kind.

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 not cut or remove any timber on the premises without written consent of vendor. Vendee shall be entitled to the possession of said property.

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

which vendee assumes, and will place said deed

together with one of these agreements in escrow at the Aspen Title & Escrow, Inc. at Klamath Falls, Oregon. Vendors shall instruct escrow holder to pay the monthly payments to Klamath First on the above mentioned trust deed(s).

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and shall enter into written escrow instruction in form satisfactory to said escrow holder, instructing said holder that when, and if, vendee 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 instruments to vendee, but that in case of default by vendee said escrow holder shall, on demand, surrender said instruments to vendor.

But in case vendee 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 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 this contract null and void, and in any of such cases, except exercise of the right to specifically enforce this agreement by suit in equity, all the right and interest hereby created or then existing in favor of vendee derived under this agreement shall utterly cease and determine, and the premises aforesaid shall revert and revest in vendor without any declaration of forfeiture or act of reentry, and without any other act by vendor to be performed and without any right of vendee of reclamation or compensation for money paid or for improvements made, as absolutely, fully and perfectly as if this agreement had never been made.

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.

And in case 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 sum as the trial court and or appellate court, if an 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 right 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 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.

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 TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

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

James F. Hargrove
Valery F. Hargrove
David L. Knapp
Diana J. Knapp

STATE OF OREGON
County of Klamath

Personally appeared the above named James F. Hargrove & Valery F. Hargrove & David L. Knapp & Diana J. Knapp

and acknowledged the foregoing instrument to be their act and deed.
Before me, Notary Public for Oregon
My commission expires: 3-22-93

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

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 on page Record of Deeds of said County.

From the office of
WILLIAM L. SISEMORE
Attorney at Law
First Federal Bldg.
540 Main Street
Klamath Falls, Ore.

Witness My Hand and Seal of County Affixed.

County Clerk - Recorder

Deputy

EXHIBIT A

A portion of the NE 1/4 NW 1/4 Section 18, Township 38 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

BEGINNING at a point on the Easterly right of way line of the Dalles-California Highway which lies North 89 degrees 42' West, a distance of 710.5 feet and South 6 degrees 02' West, a distance of 711 feet from the Iron axel which marks the quarter corner common to Sections 7 and 18, Township 38 South, Range 9 East of the Willamette Meridian; running thence continuing South 6 degrees 02' West along the Easterly right of way line of the Dalles-California Highway, a distance of 144 feet to a point; thence South 89 degrees 09' East, a distance of 328.04 feet to a point; thence North 6 degrees 02' East, parallel to the Easterly right of way line of the Dalles-California Highway, a distance of 139.75 feet to a point; thence North 88 degrees 25' West, a distance of 327.7 feet, more or less, to the point of beginning.

CODE 190 MAP 3809-18PA TL 900

SUBJECT TO:

Rights of the public in and to any portion of the herein described premises lying within the boundaries of roads or highways.

Regulations, including levies, assessments, water and irrigation rights and easements for ditches and canals, of Northside Drainage District.

Easement, including the terms and provisions thereof:

For: Transmission line
Granted to: The California Oregon Power Company
Recorded: August 29, 1923
Book: 61
Page: 400

Trust Deed, including the terms and provisions thereof as shown below:

Grantor: James F. Harelson and Valery Haughton
Trustee: William L. Sisemore
Beneficiary: Klamath First Federal Savings and Loan Association
Dated: April 13, 1988
Recorded: April 15, 1988
Book: M-80
Page: 5848

Trust deed, including the terms and provisions thereof, as shown below:

Grantor: James F. Harelson and Valery Haughton
Trustee: William L. Sisemore
Beneficiary: Klamath First Federal Savings and Loan Association, a corporation
Dated: April 13, 1988
Recorded: April 21, 1988
Book: M-80
Page: 6279

The buyers do not agree to assume subject trust deeds and the sellers agree to hold them harmless therefrom:

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 1st day
of December A.D. 19 89 at 11:22 o'clock A M., and duly recorded in Vol. M89
of Deeds on Page 23300

FEE \$18.00

Evelyn Biehn

County Clerk

By Berntha J. Litsch