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Vol. m90 Page 9829**Stilwell & Co.**
INVESTMENT REAL ESTATE

519 MAIN STREET - KLAMATH FALLS, OREGON 97601 - (503) 884-3136

February 27, 1987

K-41990

Southmark Corporation
1601 LBJ Freeway
Suite 800
Dallas, TX 75234

Attn: Mr. R. L. Lemke

Re: Home Lumber Site - Klamath Falls, OR

Dear R. L.;

This letter is to confirm our various communications regarding the above referenced property and to spell out our agreements in offering the property for sale.

Sales Price: Free and clear of encumbrances, is to be \$ 400,000⁰⁰.

Terms: Cash or by contract of sale, subject to negotiation as to the down payment, duration and interest.

Ground Lease: It is my understanding that Southmark Corporation is not interested in a long term lease.

Fee: If this office is successful in obtaining an offer which is accepted, the fee is to be 10% of the total consideration. In the event a ground lease is negotiated, the fee for obtaining said lease is to be 6% of the total consideration, but for the first 15 years only. Said fee shall be paid on the basis of one-third upon acceptance and the remainder, two-thirds, shall be paid over the next 60 months in equal, monthly payments.

It is expressly agreed that in the event a ground lease is secured, but the lease is subsequently rescinded or breached by the lessee, during the term of this agreement, any remaining, unpaid balance of the fee shall be cancelled. It is not the intention of this office to participate or make demands for unrealized income.

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Southmark Corporation
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This agreement is an Exclusive Contract which means that no negotiations will be continued with any prospect, past, present or future without our concurrence. This agreement shall be in effect as of the date of signing by all parties and shall remain in effect until cancelled. Either party may cancel this contract upon 30 days written notice to the other party.

Sincerely,

Kraig B. Weider

Kraig B. Weider
Broker, Stilwell & Co.

KBW/rp

ACKNOWLEDGMENT:

The above has been read, its contents noted and accepted
this 27 day of March, 1987.

[Signature]

AVP Southmark Corp.

Return:
Stilwell & Weider
519 Main Street
Klamath Falls Or 97601

DESCRIPTION OF PROPERTY

The following described real property situate in Klamath County, Oregon:

PARCEL 1:

All that portion of Lot 70 of Enterprise Tracts described as follows: Beginning at a point in the Southerly line of South Sixth Street as the same is presently located and constructed, at its intersection with a North-South line parallel with and 390 feet West of the East line of said Lot 70; thence South along said line a distance of 694.42 feet, more or less, to a point 17.5 feet East of the Southeast corner of tract of land conveyed by Marshall E. Cornett et ux, to Signal Oil Company by deed recorded August 28, 1946, in Vol. 194, page 435, Deed Records of Klamath County, Oregon, said point being the True Point of Beginning of this description; thence continuing South on said North-South line a distance of 280.7 feet, more or less, to the Northerly right-of-way line of the O.C.&E. Railroad; thence North 66°51'15" West along said right-of-way line a distance of 156.65 feet to the Southwest corner of tract conveyed by Klamath Pine Lumber Co. to Marshall E. Cornett et ux, by Deed Recorded August 24, 1937, in Vol. 111, page 399, Deed Records of Klamath County, Oregon; thence North along the West line of last described tract, a distance of 275 feet, more or less, to a point of intersection with the Westerly right-of-way line of Spur Track described as Parcel 2 in Deed to Richfield Oil Corporation, recorded June 24, 1941, in Vol. 139, page 63, Deed Records of Klamath County, Oregon, thence Southeasterly along a 11°30' curve to the left a distance of 52.5 feet, more or less, to its intersection with the South line, extended Westerly, of aforementioned track conveyed to Signal Oil Company by Deed recorded in Vol. 194, page 435, thence East along the South line and South line extended of last mentioed Parcel a distance of 139.6 feet, more or less, to the point of beginning. LESS AND EXCEPTING a 17 foot strip deeded to Richfield Oil Company for a spur track by Deed recorded in Vol. 139, page 63, Deed Records of Klamath County, Oregon.

ALSO, all that portion of Lot 70 of Enterprise Tracts described as follows: Beginning at a point in the South line of Sixth Street at its intersection with a North and South line 390.0 feet West of the East line of Lot 70; thence South 706.5 feet; thence West 17.5 feet; thence North along a North and South line 407.5 feet West of the East line of Lot 70 a distance of 718.43 feet to the intersection of said line with the South line of Sixth Street; thence Southeast along said street line 21.2 feet to the point of beginning.

PARCEL 2:

All that portion of Tracts 69 and 70 of Enterprise Tracts described as follows: A strip of land 390 feet wide, East and West, bounded on the North by the Dalles-California Highway, on the South by the Northerly line of Oregon, California and Eastern Railway on the East by the East line of Tracts 69 and 70 of Enterprise Tracts, and on the West by a line drawn parallel to and distant 390 feet West from the East boundary above described.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co. the 23rd day of May A.D., 19 90 at 2:27 o'clock PM., and duly recorded in Vol. M90 of Deeds on Page 9829.

FEE \$38.00

Evelyn Biehn, County Clerk

By Evelyn Biehn