

REAL PROPERTY CONTRACT

THIS AGREEMENT made and entered into this 16TH DAY of NOVEMBER, 1991 by and between VICTOR HARDIN KIMSEY hereinafter called the Vendor and Grantor, and ROBERT LEMOS HODGES hereinafter called the Vendee and Grantee.

WITNESSETH:

Vendors agree to sell to the Vendee and the Vendee agrees to buy from the Vendors all of the following described property on an "As-is" Basis with no inspections required, situated in Klamath County, State of Oregon, to wit:

Northerly 25' of Lot 10 and Lot 11 in Block 4 of Lenox Addition, according to the duly recorded plat thereof;

SUBJECT TO THE FOLLOWING LAW:

"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." ORS 93.040; and

Also, subject to reservations, restrictions, easements and rights of way of record and those apparent on the land; at and for a price of \$25,000.00, payable as follows to wit: \$2,500.00 down payment paid prior to May 15, 1992, Principal with interest at the rate of 10% per annum from November 16, 1991 payable in monthly installments of not less than \$250.00 per month, the first installment to be paid on the 16th day of November, 1991, and a further installment on the 16th day of every month thereafter until principal and interest are paid in full. All payments shall be applied first to accrued interest and then to principal.

Vendee agrees to make said payments promptly on the dates set forth above to the order of the Vendors, at KLAMATH FIRST FEDERAL SAVINGS & LOAN, 540 MAIN STREET, KLAMATH FALLS, OR 97601; 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 Vendors against loss or damage by fire in a sum not less than the full insurable value of the property with loss payable to the parties as their respective interests may appear, said policy or policies of insurance to be held by Vendors; that Vendee shall pay regular and seasonably and before the same shall become subject to interest charges, all taxes, assessments, liens and incumbrances of whatsoever nature and kind and agree not to suffer of permit any part of said property to become subject to any taxes, assessments, liens, charges, or incumbrances whatsoever having precedence over rights of the Vendors in and to said property. Vendee shall be entitled to the possession of said property at the time of execution of this Agreement.

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Vendors will on the execution hereof make and execute in favor of Vendee a 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 those referred to above, and will promptly deliver said deed to the above said Escrow Agent to be delivered to Vendee upon full payment of the principal balance and interest as provided above.

In the event Vendee shall fail to make 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 Vendors 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 a forfeiture of this Contract as provided by law, said rights being cumulative and not exclusive.

Should Vendee, while in default, permit the premises to become vacant, Vendors 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 the foregoing rights.

In the event the within described property, or any part thereof, or any interest therein is sold, agreed to be sold, conveyed, or assigned or alienated by the Vendee without first having obtained the written consent or approval of the Vendor, then, at the Vendor's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or herein, shall become immediately due and payable.

In the event 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 reasonably cost of title report and title search and such sums 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 Vendors at any time to required performance by Vendee of any provision hereof shall in no way affect Vendor's rights hereunder to enforce the same, nor shall any waiver by Vendors 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.

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In construing this contract, it is understood that Vendors 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.

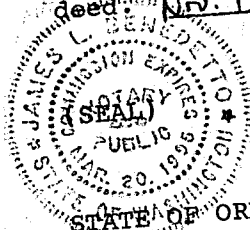
This agreement shall bind and inure to the benefit of, as the circumstances may require, the parties hereto and their respective heirs, executors, administrators and assigns.

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

Victor Hardin Kimsey
Victor Hardin Kimsey

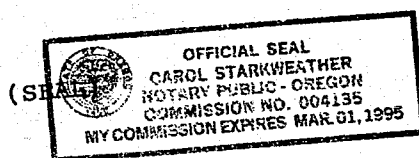
STATE OF WASHINGTON)
County of King) ss

Personally appeared the above named VICTOR HARDIN KIMSEY, and acknowledged the foregoing instrument to be his voluntary act and deed. Nov. 15, 1991



STATE OF OREGON)
County of Klamath) ss

Personally appeared the above named ROBERT LEMOS HODGES, and acknowledged the foregoing instrument to be his voluntary act and deed. 11-8, 1991



Before Me:

Carol Starkweather
Notary Public for Oregon
Commission expires 3-1-95

Until a change is requested, all tax statements shall be sent to the following name and address: ROBERT LEMOS HODGES, 3638 CORTEZ STREET, KLAMATH FALLS, OR 97601.

After recording return to: Klamath First Federal, 540 Main St., Klamath Falls, OR, 97601 - Call # 6342

REAL PROPERTY CONTRACT - Page 3

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title Co. the 5th day of Dec. A.D., 19 91 at 10:57 o'clock A M., and duly recorded in Vol. M91 of Deeds on Page 25387

Evelyn Biehn - County Clerk
By Carol Starkweather

FEE \$38.00