FORM No. 840—CONTRACT—REAL ESTATE—Monthly Installments Payable to Vendors (Husband and Wife) with Right of Survivorship (Truth-in-Lending Series).

34042 07-08-94P03:25 RCVD K-40570 Vol M94 Page 21288

THIS CONTRACT, Made this 8 *day of* July, 1994, *between* Raymond R. Patscheck, Jean E. Patscheck, Fred W. Veiga & Carol J. Veiga, *hereinafter called the seller,*

and Timm Burr, Inc., *hereinafter called the buyer,*

WITNESSETH: That in consideration of the mutual covenants and agreements herein contained, the seller agrees to sell unto the buyer and the buyer agrees to purchase from the seller all of the following described lands and premises situated in Klamath *County, State of* Oregon, *to-wit:*

T. 35 S, R 13 E., Section 16, Tax Lot #400 - 10 Acres

T. 35 S, R 13 E , Section 17, Tax Lot #700 - 2.80 Acres

RETURN TO:
KGTC
422 MAIN STREET
KLAMATH FALLS, OREGON 97601

TAXES TO: TIMM BURR INC.
325 MAIN STREET, SUITE 203
KLAMATH FALLS, OREGON 97601

for the sum of Twelve Thousand Five Hundred and no/100 *Dollars* ($ 12,500.00) *(hereinafter called the purchase price) on account of which* One Thousand Five Hundred and n0/100 *Dollars* ($ 1,500.00) *is paid on the execution hereof (the receipt of which is hereby acknowledged by the seller), and the remainder to be paid to the order of the seller at the times and in amounts as follows, to-wit:*

$500.00 at closing to open escrow at Klamath County Title Company

$7,500.00 payable to sellers on October 15, 1994

$3,000.00 on contract of sale at 9% for three years or until contract is paid in full., payment to be approximately $80.00 per month.

The buyer warrants to and covenants with the seller that the real property described in this contract is
**(A) primarily for buyer's personal, family, household or agricultural purposes,*
(B) for an organization or (even if buyer is a natural person) is for business or commercial purposes other than agricultural purposes.

All of said purchase price may be paid at any time; all deferred balances of said purchase price shall bear interest at the rate of 9% *per cent per annum from* , *until paid, interest to be paid* *and ** {in addition to / being included in} *the minimum regular payments above required. Taxes on said premises for the current tax year shall be prorated between the parties hereto as of the date of this contract.*

At the time of the execution hereof, the sellers herein (who are husband and wife) own said described real estate as tenants by the entireties; wherefore, the sellers intend and declare that their interest in this contract and in the unpaid purchase price of said described real estate henceforth shall be that of joint tenants with the right of survivorship and not that of tenants in common; in the event of the death of one of the sellers, the title to the sellers' interest in this contract and in and to the then unpaid balance of said purchase price, principal and interest, immediately shall vest solely in the survivor of the sellers.

The buyer shall be entitled to possession of said lands on , 19 94, *and may retain such possession so long as he is not in default under the terms of this contract. The buyer agrees that at all times he will keep the buildings on said premises, now or hereafter erected, in good condition and repair and will not suffer or permit any waste or strip thereof; that he will keep said premises free from mechanic's and other liens and save the sellers harmless therefrom and reimburse sellers for all costs and attorney's fees incurred by them in defending against any such liens; that he will pay all taxes hereafter levied against said property, as well as all water rents, public charges and municipal liens which hereafter lawfully may be imposed upon said premises, all promptly before the same or any part thereof become past due; that at buyer's expense, he will insure and keep insured all buildings now or hereafter erected on said premises against loss or damage by fire (with extended coverage) in an amount not less than $* n/a in a company or companies satisfactory to the sellers, with loss payable to the sellers as their interest may appear and all policies of insurance to be delivered to the sellers as soon as insured. Now if the buyer shall fail to pay any such liens, costs, water rents, taxes, or charges or to procure and pay for such insurance, the sellers may do so and any payment so made shall be added to and become a part of the debt secured by this contract and shall bear interest at the rate aforesaid without waiver, however, of any right arising to the sellers for buyer's breach of contract.*

The sellers agree that at their expense and within ten days from the date hereof, or n/a *they will furnish unto buyer a title insurance policy insuring (in an amount equal to said purchase price) marketable title in and to said premises in the sellers on or subsequent to the date of this agreement, save and except the usual printed exceptions and the building and other restrictions and easements now of record, if any. Sellers also agree that when said purchase price is fully paid and upon request and upon surrender of this agreement, they will deliver a good and sufficient deed conveying said premises in fee simple unto the buyer, his heirs and assigns, free and clear of encumbrances as of the date hereof excepting, however, the said easements and restrictions and the taxes, municipal liens, water rents and public charges so assumed by the buyer and further excepting all liens and encumbrances created by the buyer or his assigns.*

And it is understood and agreed between said parties that time is of the essence of this contract, and in case the buyer shall fail to make the payments above required, or any of them, promptly within ten days of the time limited therefor, or fail to keep any agreement herein contained, then the sellers at their option shall have the following rights: (1) to declare this contract null and void, (2) to declare the whole unpaid principal balance of said purchase price with the interest thereon, at once due and payable and/or (3) to foreclose this contract by suit in equity, and in any of such cases, all rights and interest created or then existing in favor of the buyer as against the sellers hereunder shall utterly cease and determine and the right to the possession of the premises above described and all other rights acquired by the buyer hereunder shall revert to and revest in said sellers without any act of re-entry or any other act of said sellers to be performed and without any right of the buyer of return, reclamation or compensation for moneys paid on account of the purchase of said property, as absolutely, fully and perfectly as if this contract and such payments had never been made; and in case of such default all payments heretofore made on this contract are to be retained by and belong to said sellers as the agreed and reasonable rent of said premises up to the time of such default. And the said sellers, in case of such default, shall have the right immediately or at any time thereafter to enter upon the land aforesaid without any process of law and take immediate possession thereof together with all the improvements and appurtenances thereon or thereto belonging.

The buyer further agrees that failure by the sellers at any time to require performance by the buyer of any provision hereof shall in no way affect their right hereunder to enforce the same, nor shall any waiver by said sellers of any 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.

The true and actual consideration paid for this transfer, stated in terms of dollars, is $ 12,500.00 . *(However, the actual consideration consists of or includes other property or value given or promised which is part of the* X *the whole* *consideration (indicate which).)*

In case suit or action is instituted to foreclose this contract or to enforce any of the provisions hereof, the buyer agrees to pay such sum as the court may adjudge reasonable as attorney's fees to be allowed plaintiff in said suit or action and if an appeal is taken from any judgment or decree of the trial court, the buyer further promises to pay such sum as the appellate court shall adjudge reasonable as plaintiff's attorney's fees on such appeal.

In construing this contract, it is understood that the buyer 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 shall include 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; also, in the event of the decease of one of said sellers, that the word "seller" shall mean only the survivor of them and the heirs and assigns of such survivor.

IN WITNESS WHEREOF, said parties have executed this instrument in duplicate; if either of the undersigned is a corporation, it has caused its corporate name to be signed and its corporate seal affixed hereto by its officers duly authorized thereunto by order of its board of directors.

Raymond R. Patscheck

Jean E. Patscheck

Fred W. Veiga

Carol J. Veiga

TIMM BURR, INC.
BY: Gregory Bailey, Vice President

*IMPORTANT NOTICE: Delete, by lining out, whichever phrase and whichever warranty (A) or (B) is not applicable. If warranty (A) is applicable and if the seller is a creditor, as such word is defined in the Truth-in-Lending Act and Regulation Z, the seller MUST comply with the Act and Regulation by making required disclosures; for this purpose, use Stevens-Ness Form No. 1308 or similar unless the contract will become a first lien to finance the purchase of a dwelling in which event use Stevens-Ness Form No. 1307 or similar.

NOTE: The sentence between the symbols (), if not applicable, should be deleted. See Oregon Revised Statutes, Section 93.030. (Notarial acknowledgment on reverse).

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

21289

RECEIVED PAYMENTS ON WITHIN CONTRACT, AS FOLLOWS:

DATE	INSURANCE OR TAXES	INTEREST	INTEREST PAID TO	PRINCIPAL	PRINCIPAL BALANCE	DATE	INSURANCE OR TAXES	INTEREST	INTEREST PAID TO	PRINCIPAL	PRINCIPAL BALANCE

CONTRACT

FORM No. 840
STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

BETWEEN

Address

AND

Address

Dated, 19

Lot Block

Addition

STATE OF OREGON } ss.
County of Klamath

I certify that the within instrument was received for record on the 8th day of July, 1994, at 3:43 o'clock P.M., and recorded in book M94 on page 21288 or as file/reel number 94042, Record of Deeds of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk

By Jeanne Mullendore, Deputy Title

AFTER RECORDING RETURN TO

Fee $35.00

STATE OF OREGON, }
County of } ss.

, 19

Personally appeared the above named

and acknowledged the foregoing instrument to be voluntary act and deed.

Before me:

(OFFICIAL SEAL)

Notary Public for Oregon

My commission expires:

STATE OF OREGON, County of Klamath) ss.

July 8, 19 94

Personally appeared GREGORY J. DECKER and who, being duly sworn, each for himself and not one for the other, did say that the former is the VICE president and that the former is the secretary of TIMM BURR, INC., a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed.

Before me: Juli Lengel

(OFFICIAL SEAL)

Notary Public for Oregon

My commission expires: 9/8/95

OFFICIAL SEAL
JULI LENGEL
NOTARY PUBLIC - OREGON
COMMISSION NO. 009374
MY COMMISSION EXPIRES SEPT. 08, 1995