

The disclosure contained in the following paragraphs below are required to be made by THE BANK OF CALIFORNIA, NATIONAL ASSOCIATION, as Trustee and as creditor, in compliance with federal laws.
1. Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, real property located in the County of Klamath, State of Oregon, described as follows: Lot(s), Block(s) BLK 7, LOT 1 in Mt. Scott Meadows Subdivision, Tract No. 1027, aka Mt. Scott Pines, in the County of Klamath, State of Oregon, as per map recorded in the office of the County Recorder of said County Recorder of said County, excepting oil, gas and other mineral and hydrocarbon substances beneath the surface thereof. Said conveyance shall be made subject to all conditions, covenants, restrictions, reservations, easements, rights and rights of way of record or appearing in the recorded map of said tract and specifically the covenants, conditions and restrictions set forth in that certain Declaration of Restrictions recorded in the Official Records of Klamath County, all of which are incorporated herein by reference with the same effect as though said Declaration were fully set forth herein.
The following disclosures are being made in compliance with the Truth in Lending Act.

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments	Total Sale Price
The cost of your credit as a yearly rate. 11%	The dollar amount the credit will cost you. \$7058.40	The amount of credit provided to you or on your behalf. \$10800.00	The amount you will have paid after you have made all payments as scheduled. \$17858.40	The total cost of your purchase on credit, including your downpayment of \$1200.00 \$19058.40

You have the right to receive at this time an itemization of the Amount financed.
I want an Itemization. ☒ I do not want an itemization.

Your payment schedule will be:

Number of Payments	Amount of Payments	When Payments Are Due
120	148.82	15th of EACH MONTH

Security: You are giving a security interest in: ☒ the goods or property being purchased. ☐ Pre-Payment: If you pay off early, you ☒ may ☐ will not ☐ have to pay a penalty. ☐ may ☐ will not ☒ be entitled to a refund of part of the finance charge.
See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties.

2. The unpaid balance shall be paid in 120 equal monthly installments of 148.82 Dollars or more including interest at 11 percent per annum on the unpaid balance. Commencing on the 15 day of MAY, 1995, the first installment of said unpaid principal balance and interest shall be paid, and on the same day of each month thereafter a like installment shall be paid until the total unpaid principal balance and interest have been paid in full. Interest to begin to accrue on the 15 day of APR, 1995. All or any part of the unpaid balance may be prepaid without penalty on the monthly payment date. The number of years required to complete payment in accordance with the terms herewith is 10 years. In the event of a late payment, the provisions in Paragraph 17 on the reverse side hereof shall apply. Under no circumstances, however, will Buyer be subject to any default, delinquency or similar charges in the event of a late payment.
Buyer shall have the right to pay in advance the unpaid balance of this contract as was hereinabove provided and obtain a partial refund of any prepaid finance charge (interest) which is unearned as of the date of said prepayment.

3. Seller will retain a security interest in the real property described above, consisting of a legal title under this contract of sale, subject only to Buyer's rights hereunder. After acquired property, which becomes affixed as part of said real property, will be subject to said security interest.

4. Any notice to Buyer may be given to Buyer at the address stated in this Agreement or at any address subsequently delivered to Seller in writing by Buyer. Buyer understands and agrees that Buyer shall be fully responsible to keep Seller informed of the current address of Buyer for the purpose of having any notice mailed to Buyer. Any notices of change of address shall be sent, forthwith by Buyer upon said change, certified to the address of Seller herein. Notice to seller shall be given only at the address at which Buyer's payments are from time to time made. Any and all notices or demands provided or permitted hereunder shall be in writing, and shall be served either personally or by certified mail, postage prepaid, return receipt requested. Notice shall be deemed given seven (7) days after placed in the mail as set forth above. The provisions of this paragraph shall not apply to Paragraph 5 hereof.

5. You (Buyer) have the option to cancel your contract or Agreement of Sale by notice to the Seller until midnight of the fourteenth day following the signing of the contract or Agreement.

If you did not receive a Property Report prepared pursuant to the rules and regulations of the Office of Inter-State Land Sales Registration, U.S. Department of Housing and Urban Development, in advance of your signing the contract or Agreement, the contract or Agreement of Sale may be cancelled at your option for two (2) years from the date of signing.

6. Buyer acknowledges that he has received, read and understood and signed a copy of this Agreement and also received, read and understood a copy of the following: (CHECK WHERE APPLICABLE)

- ☒ State of California, Department of Real Estate
Subdivision Public Report and Permit
☒ Subdivision Public Report
Oregon Real Estate Commissioner
☒ U.S. Housing and Urban Development
State Property Report Notice of Disclaimer

THE FOLLOWING STATEMENT IS INCONSISTENT WITH THE DISCLOSURE REQUIREMENTS OF THE FEDERAL TRUTH IN LENDING ACT

7. Buyer acknowledges that he has received and read a copy of the Notice of Rescission Rights whereby Buyer understands that he is entitled to rescind this transaction without any penalty or obligation within 14 calendar days from the date of execution of this Agreement but not less than fourteen (14) calendar days from the date of execution of this Agreement by the Buyers herein as required by the Laws of the State of California and the California Department of Real Estate. Notification of such rescission must be made in writing by notifying MT. SCOTT PROPERTIES, 433 Callan Avenue, Suite 202, San Leandro, California 94577, by mail or telegram on or before the date indicated on said Notice of Rescission Rights.

Buyer has read and understands all of the terms and provisions stated on the reverse side hereof and Buyer and Seller agree that all such terms and provisions are incorporated herein by reference and are fully a part of this agreement.

NOTICE: See other side for important information.
IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

Kenneth A. Middleton
Buyer

Buyer

Buyer

Buyer

THE BANK OF CALIFORNIA, NATIONAL ASSOCIATION, a national banking association, as Trustee
By: *Kim Casace*
Vice President

Title

Seller

14285

1. All property taxes for the current fiscal year levied against the lot described herein shall be prorated to the date of this Agreement. Buyer shall promptly pay all such taxes due after the date hereof, and shall be responsible for and shall pay when due all future real property taxes and levies. Buyer's failure to pay such taxes and levies, when due, shall constitute a breach of this contract, and Seller may, at its option, exercise all remedies available to it upon default of any Buyer's obligations.

2. Upon the payment in full by Buyer of all sums due hereunder and the surrender to Seller of this Agreement for cancellation, Seller shall execute a Trustee's Grant Deed in favor of Buyer conveying said property to Buyer, free and clear of all liens and encumbrances, but subject to all easements, conditions, covenants, restrictions and rights of way now of record; along with all other matters specified in this Agreement and to all matters done, made, caused or created by Buyer affecting title thereto. At Buyer's election and at Buyer's expense, Seller shall furnish to Buyer a policy of title insurance issued by a reliable title company showing title to said property vested in Buyer free from all liens and encumbrances, except those hereinbefore specified and those done, made, caused or created by Buyer.

3. Buyer further understands that the property being purchased herein by Buyer does not include the purchase of any oil, gas and other mineral and hydrocarbon substances beneath the surface of said land. However, so long as Buyer is performing hereunder and the contract has not been terminated, neither Seller nor any person claiming from Seller shall have the right to enter upon the surface of the property sold by Seller to Buyer for the removal of, or exploration for, the aforementioned natural resources below the surface of said land. Upon the payment in full and performance by the Buyer entitling the Buyer to a deed as provided for herein, there shall further appear upon the face of said deed this waiver of surface entry.

10. Buyer shall keep, preserve and maintain said property in good order and condition; Buyer shall not commit or permit waste of said property; and Buyer shall comply with all laws, ordinances, regulations, covenants, conditions, restrictions, easements, right and rights of way relating to or affecting said property.

11. Seller shall have the right at all reasonable times to inspect said property, and Buyer shall allow Seller to inspect the same upon Seller's request.

12. Buyer shall not declare nor attempt to declare a homestead upon nor select said property as a homestead nor attempt to record any declaration of homestead upon said property during the term of this Agreement.

13. All improvements made to or placed on said property by Buyer shall be and become a part of said property. Buyer agrees that until payment in full has been made or until Buyer has received written consent from Seller, Buyer will not commit waste or encumber said realty and during the period of this Agreement will keep said realty free of all liens and encumbrances done, made, caused, or created by him of any kind and nature. Buyer agrees to pay and discharge any lien or encumbrance on said realty that is made, done, caused or created by him within ten (10) days after such lien or encumbrance is placed thereon.

14. No representations, agreements or warranties, whether express or implied, not herein expressly set forth have been made by Seller to or with Buyer. Buyer acknowledges that no persons have had nor now have any authority to make any representations, agreements or warranties, whether express or implied, binding upon Seller not expressly set forth herein and that, if any such representations, agreements or warranties were made or given and are not herein expressly set forth, each, every and all thereof are of no force or effect. This Agreement is the only agreement between Seller and Buyer, and all prior or contemporaneous negotiations are merged herein and supersede hereby.

15. Until all sums due under this agreement have been paid in full, Buyer shall not sell, assign or transfer this Agreement or any right, title, or interest herein without first obtaining the written consent of Seller, and any attempt so to do shall be of no force or effect.

16. Any payments made by Buyer to Seller may be applied by Seller in payment of or on account of any obligation or liability of Buyer to Seller, and the application of such payments by Seller shall be conclusive upon Buyer.

17. Time is of the essence of this Agreement, and full performance by the Buyer of all his obligations hereunder is and shall be a condition precedent to his right to a conveyance hereunder; and should default be made (a) in the payment of any installments of principal and interest when the same become due, or (b) in the repayment after demand of any amounts herein agreed to be repaid, or (c) in the observance or performance of any other obligation hereunder, and any such default is not cured within forty-five (45) days after receipt by Buyer of written notice by Seller, then this Agreement on the part of the parties shall be deemed automatically cancelled and terminated, at Seller's option; and in the event of such cancellation where the amount paid herein by Buyer is less than fifteen Percent (15%) of the purchase price (excluding any interest), the amount paid herein may be retained by Seller as liquidated damages, the parties agreeing that it would be impractical and extremely difficult to fix such damages. If, in the event the amount paid by Buyer is in excess of Fifteen Percent (15%) of the purchase price, exclusive of interest, then Seller shall refund to Buyer whatever amount remains after either subtracting Fifteen Percent (15%) of the purchase price, exclusive of interest, or the amount of Seller's actual damages, whichever is greater.

As an alternative remedy to Seller, upon default by Buyer in payment of any indebtedness secured hereby or in performance of any agreement hereunder, all sums secured hereby shall be immediately due and payable at the option of Seller. In the event of default, Seller may execute a written notice of such default and of its election to cause to be sold the herein described property to satisfy the obligations hereof and shall cause such notice to be recorded in the office of the County Recorder of the County of Klamath, Oregon. Notice of sale having been giving as then required by law and not less than a time then required by law having elapsed after recordation of such notice of default, Seller may sell property at the time and place of sale fixed by it in said notice of sale, either as a whole or in parcels and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at the time of sale. Seller may postpone sale of all or a portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding post-ponement. Seller shall deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Seller or Buyer, may purchase at such sale. After deducting all costs, fees and expenses of Seller, including cost of the evidence of title and reasonable attorney's fees in connection with the sale, Seller shall apply the proceeds of the sale to payment of the following items in the following order: (1) All sums expended by Seller under the terms hereof, not then repaid with accrued interest at 10% per annum; (2) all other sums then secured hereby; (3) and the remainder, if any, to the person or persons legally entitled thereto. If the aforesaid alternative remedy is utilized by the Seller and Buyer has paid more than Fifteen Percent (15%) of the purchase price, exclusive of interest, then in that event Seller shall be entitled to retain the Fifteen Percent (15%) of the purchase price, exclusive of interest, or Seller's actual damages, whichever is greater and Buyer shall be entitled to any remainder.

18. Buyer and Seller agree that in the event Seller cancels Buyer's rights hereunder, Buyer will, at the option and upon the demand of Seller, execute in favor of and deliver to Seller, a good and sufficient Quitclaim Deed to the said realty; and this acceptance by Seller shall operate as a full release of all Buyer's obligations hereunder. Buyer and Seller further agree that in the event Buyer rescinds this agreement through the buyer's right of rescission and Seller tenders all sums heretofore paid back to buyer within ten (10) days of the receipt of said notice of rescission, Buyer will, at the option and upon the demand of Seller, execute in favor of and deliver to Seller a good and sufficient Quitclaim Deed to said realty; and this acceptance by the Seller shall operate as a full release of all Buyer's obligation hereunder.

19. Buyer and Seller agree that this agreement will become binding upon the Buyer and Seller two (2) days after the deposit in the U.S. mail of notice of acceptance addressed to the Buyer in accordance with the provisions of paragraph 4 hereof, with postage prepaid.

20. Each of the signed copies hereof shall be deemed a duplicate original, and this Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties hereto.

21. This Agreement is made by Seller as Trustee under a Declaration of Trust, and Buyer's recourse against Seller shall be limited solely to the assets of the trust estate and not the assets of Seller in any other capacity.

22. Developer herein has installed the interior roads in the Mt. Scott subdivision. Buyer hereby agrees that neither Developer or Seller has any further responsibility in any manner in connection therewith.

23. Developer shall have electrical facilities furnished to the subdivision herein by having erected the necessary electrical power poles to allow a hook-up by Buyer to said electricity. It is agreed by Buyer that Developer is responsible only for the furnishing of said electrical power pole to the subdivision and any other further costs, fees or charges including, but not limited to, hook-up charges, monthly fees, membership fees, maintenance costs or the like shall be the sole and exclusive obligation of Buyer herein. It is further understood and agreed that the electrical facilities required to be furnished to the subdivision shall be furnished no later than one hundred and twenty (120) days after the last lot in the subdivision is sold. It is further agreed by Buyer that Developer and Seller shall not be obligated in any other manner in regard to the electrical installation or maintenance relating to the subdivision herein or the providing, at such time as hereinabove set forth, of said electricity to the subdivision.

24. Buyer understands and agrees that any and all claims, suits, actions or arbitration shall take place only in the appropriate Court in the City and/or County of San Francisco, California.

Buyer has read and understands all of the terms and provisions stated in this Agreement for Sale of Property, and all such terms and provisions hereof are fully a part of this contract.

NOTICE: See other side for important information.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of The Bank Of California the 17th day
of May A.D., 19 96 at 10:01 o'clock AM., and duly recorded in Vol. M96
of Deeds on Page 14284

FEE \$35.00

By Bernetha G. Letsch, County Clerk