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MTC 41553-KR  
AGREEMENT

This Agreement is made between Teralee J. Baines, hereinafter "Seller" and Bill Nash and Dian Nash, Trustees of the Nash Family Trust, hereinafter "Buyers".

## RECITALS

A. On November 16, 1984, David L. Baines and Teralee J. Baines, then husband and wife, entered into a written contract with Lynda Arlene Blue, now known as Lynda Adams and her husband, Ronald Lloyd Blue, under the terms of which Teralee J. Baines and her then husband David L. Baines agreed to sell to Lynda Arlene Blue and Ronald Lloyd Blue the following described real property:

Lots 30 and 31 in Block 3 of RIVERVIEW ADDITION to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

B. On April 13, 1992, Ronald Lloyd Blue died.

C. Following the execution of the contract referenced in Paragraph A above, Teralee J. Baines and David L. Baines divorced and Teralee J. Baines was assigned all right, title and interest in the contract.

D. On June 12, 1992, Lynda Arlene Blue issued a warranty deed transferring her interest in the subject property to Marvin Sommerville and then on June 15, 1992, Lynda Arlene Blue assigned her vendee's interest in the real estate contract referenced in Paragraph A above to Marvin Sommerville.

E. Lynda Arlene Blue and Marvin Sommerville failed to pay sums owing pursuant to the terms of the real estate contract which resulted in Teralee J. Baines filing a lawsuit in the Circuit Court of the State of Oregon for Klamath County, Case No. 9601814CV wherein

AGREEMENT - 1

Return to: William C. & Lois Dian Nash  
PO Box 418  
Klamath Falls OR 97639

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Teralee J. Baines sought specific performance of the land sale contract referenced herein.

F. On or about July 23, 1996, Teralee J. Baines obtained a judgment of specific performance of land sale contract in Klamath County Circuit Court Case No. 9601814CV and a money judgment totalling \$23,128.01 together with interest thereon at 11% per annum from November 19, 1994, until paid and \$2,750.28 together with interest thereon at 9% per annum from July 23, 1996, until paid. Pursuant to this judgment of specific performance of land sale contract, the court authorized the property described in Paragraph A above to be sold at a Sheriff's sale, at which time anyone including Teralee J. Baines could purchase the subject property. The court's order further provided that if the proceeds of the sale failed to satisfy Teralee J. Baines' money judgment, Teralee J. Baines shall have a judgment against Lynda Arlene Blue and Marvin Sommerville for the deficiency.

G. On November 26, 1996, Teralee J. Baines purchased the subject property for the sum of \$9,000. This left a deficiency judgment of \$22,556.08 with interest thereon at the rate of 11% from November 26, 1996, until paid.

H. On November 25, 1996, Teralee J. Baines entered into an agreement with Lynda Arlene Blue, now known as Lynda Adams to satisfy any deficiency she would owe by payment of the sum of \$15,000 to Teralee J. Baines. Teralee J. Baines as of November 26, 1996, had a deficiency judgment against Marvin Sommerville only for the sum of \$7,556.08, plus interest at the rate of 11% from November 26, 1996, until paid.

I. Seller desires to sell the property described in Paragraph A above to Buyers and assign as part of said sale the deficiency judgment owed by Marvin Sommerville to Seller.

J. Buyers desire to purchase the described property.



WHEREFORE, the parties agree as follows:

1. In consideration of the sum of fifteen thousand dollars (\$15,000) paid to Seller by Buyers, receipt of which is hereby acknowledged, Seller hereby transfers and assigns to Buyers that final judgment recovered by Seller against Marvin Sommerville in the Circuit Court, County of Klamath, State of Oregon, on July 23, 1996, subject to the setoffs of \$9,000 referenced in Paragraph G above and \$15,000 referenced in Paragraph H above resulting in a sum owing of \$7,556.08 plus interest at the rate of 11% per annum from November 26, 1996, until paid.

2. A copy of the judgment, transcript of the judgment, Sheriff's deed vesting ownership in the subject property with Seller and the satisfaction as to Lynda Arlene Blue, now known as Lynda Adams are attached hereto as Exhibits 1, 2, 3 and 4 respectively.

3. All right, title, interest, claim and rights to demand and receive the amount of the judgment owing by Marvin Sommerville now vests solely and entirely with Buyers. On payment of the judgment or any part of the judgment, Buyers shall have the sole right and authority to discharge said judgment.

4. Seller authorizes Buyers to sue out execution or exercise any other legal rights available and necessary to enforce the judgment against Marvin Sommerville, such proceedings to be done at the sole cost and expense of Buyers.

5. Seller covenants with Buyers that as of November 26, 1996, there was due on the judgment the sum of \$7,556.08 by Marvin Sommerville, together with interest thereon at the rate of 11% per annum from November 26, 1996. Seller has not received and will not receive the amount due on the judgment or any part of such amount and Seller will not discharge or

release the judgment. Seller has not done and will not do anything to hinder or prevent Buyers from enforcing the judgment.

6. Buyers further acknowledges that there may be personal property of Marvin Sommerville or others remaining on the property described in Paragraph A herein and that Buyers assume full responsibility for the disposition of said property and hold Seller harmless therefrom.

7. Seller further agrees, simultaneous with the execution of this document to execute a Warranty Deed transferring all right, title and interest to the property described in Paragraph A herein to Buyers.

8. This Agreement is subject to, at closing, Seller providing to Buyers, at Seller's expense, a standard owner's title insurance policy in the amount of \$15,000, insuring Buyers, subject only to nondelinquent real property taxes, items 1, 2, 3, 4, 5, 6, 7 and 8 of the Preliminary Title Report dated May 22, 1997, and other matters that may be approved in writing by the Buyers. Seller shall be responsible for all closing costs except recording fees of the deed issued to Buyers by Seller. AmeriTitle shall be retained to complete the closing of this transaction.

9. Presently existing taxes, assessments, improvement bonds, and other expenses, if any, affecting the property shall be prorated as of the day following the closing date. For the purpose of calculating prorations, the Buyers shall be deemed to be in title to the property and therefore, entitled to the income and responsibility for the expenses for the entire day following the closing date.

10. Seller makes no representations or warranties concerning the real property and



any improvements thereon. Buyers acknowledge they are purchasing the property AS IS.

11. This Agreement shall be binding on and shall inure to the benefit of the successors and assigns of parties to it.

12. In the event a party to this Agreement brings any action or suit against another party to this Agreement by reason of any breach of any of the covenants, agreements, or provisions on the part of the other party arising out of this Agreement, then in that event the prevailing parties shall be entitled to have and recover from the other party all costs and expenses of the action or suit, including actual attorney fees, at trial and on appeal.

13. This Agreement constitutes the entire Agreement between the parties and supersedes any prior agreements, whether written or oral.

14. The parties to this Agreement acknowledge that this document was drafted by Melvin D. Ferguson, Attorney for Teralee Baines and that Melvin D. Ferguson does not represent nor has he advised Buyers with respect to this Agreement. Buyers acknowledge they have the right to consult with their own legal counsel.

15. This Agreement is effective as to each party upon their signing their names hereto.

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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 AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

Dated this 13<sup>th</sup> day of June, 1997.

SELLER:

Terallee J. Baines  
Terallee J. Baines

BUYER:

Bill Nash  
Bill Nash, Trustee  
Dian Nash  
Dian Nash, Trustee

STATE OF North Carolina)  
County of Union) ss.

Personally appeared the above-named Terallee J. Baines and acknowledged the foregoing instrument to be her voluntary act. Before me this 13<sup>th</sup> day of June, 1997.

Wilma L. Brooks  
Notary Public for North Carolina  
My Commission Expires: 6-12-2002

STATE OF OREGON )  
County of Klamath ) ss.

Personally appeared the above-named Bill and Dian Nash, Trustees of the Nash Family Trust, acknowledged the foregoing instrument to be their voluntary act. Before me this 16<sup>th</sup> day of June, 1997.



Kristi L. Redd  
Notary Public for OREGON  
My Commission Expires: 11/16/99



18649

96 JUL 23 10:57

ENTERED

7-24-96

BY JEP

CIRCUIT COURT OF OREGON

COUNTY OF KLAMATH

TERALEE J. BAINES,

Plaintiff,

v.

LYNDA ARLENE BLUE,  
NKA LYNDA ADAMS, and  
MARVIN SOMMERVILLE,

Defendants.

No. 96-01814CV

JUDGMENT OF SPECIFIC  
PERFORMANCE OF  
LAND SALE CONTRACT

The court having entered an order for a default against the Defendants, and it appearing to the court from the records and files herein, that Defendants were duly and regularly served in the manner provided by law with a summons and complaint, notwithstanding which the Defendants have failed to answer the complaint or otherwise appear herein and that the time for doing so has now expired; and the court being fully advised in the premises;

NOW, THEREFORE, IT IS HEREBY ORDERED AND ADJUDGED as follows:

1. That Defendants are hereby required to strictly perform the contract described in Plaintiff's complaint and for such

JUDGMENT OF SPECIFIC PERFORMANCE OF LAND SALE CONTRACT - 1

EXHIBIT  
PAGE 1 OF 4

purpose, Plaintiff shall have and recover from Defendants the following amounts:

A. MONEY JUDGMENT - ORCP 70

- a. Judgment Creditor: Teralee J. Baines  
Creditor's Attorney: Melvin D. Ferguson
- b. Judgment Debtor: Lynda Arlene Blue  
nka Lynda Adams  
6323 Maryland Avenue  
Klamath Falls, OR 97603  
Marvin Sommerville  
2208 Laurel Street  
Klamath Falls, OR 97601
- c. Judgment Amount:  
Principal and Accrued Interest \$22,324.47  
Property Taxes: \$ 803.54  
Total: \$23,128.01
- d. Post Judgment Interest Rate: 11 percent per annum until paid
- e. Date From Which Interest Runs: November 19, 1994
- f. Type of Interest: Simple

B. MONEY JUDGMENT  
(COSTS)

- a. Judgment Creditor: Teralee J. Baines  
Creditor's Attorney: Melvin D. Ferguson
- b. Judgment Debtor: Lynda Arlene Blue  
nka Lynda Adams  
6323 Maryland Avenue  
Klamath Falls, OR 97603  
Marvin Sommerville  
2208 Laurel Street  
Klamath Falls, OR 97601



c. Judgment Amount:

\$ 429.28 - costs  
250.00 - prevailing  
party fee  
2,071.00 - attorney's fees

Total:

\$2,750.28

d. Interest:

9 percent

e. Date Upon Which Interest  
Runs:

Date of Judgment

2. Not later than ten days after the entry of this judgment, Plaintiffs shall deliver to the Clerk of the Court a good and sufficient deed, conveying to Defendant, Lynda Arlene Blue and Ronald Lloyd Blue the following real property, free of encumbrances except as otherwise specified on that contract of sale described in Plaintiff's complaint:

Lots 30 and 31 in Block 3 of Riverview Addition to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County

3. If Defendants pay the sum specified in paragraph 1 above within thirty days of the date of this judgment, the Clerk of the Court shall disburse such funds to Plaintiff and deliver Plaintiff's deed to Defendants;

4. If Defendants fail to pay such sums to the Clerk of the Court within the required time, the Clerk of the Court shall return Plaintiff's deed to Plaintiff and the property shall be sold in the manner provided by ORS 23.410 - 23.510, but without the right of redemption specified in ORS 23.520 - 23.600. Provided, however, Defendants may redeem the property by paying to the Sheriff before the sale, the sums specified in paragraph 1 above, plus the costs of sale. The proceeds of the sale shall be applied first to the

JUDGMENT OF SPECIFIC PERFORMANCE OF LAND SALE CONTRACT - 3

EXHIBIT 1  
PAGE 3 OF 4



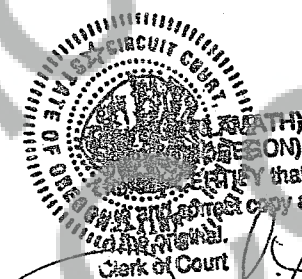
costs of sale and the remainder credited to Plaintiff's judgment in paragraph 1 above;

5. Plaintiff may be a purchaser at the sale and the purchaser shall be let into immediate possession of the premises by the sheriff of Klamath County, Oregon. Upon sale, the purchaser will be entitled to a full conveyance of the property.

6. If the proceeds of the sale fail to satisfy Plaintiff's judgment, Plaintiff shall have judgment against the Defendants for the deficiency.

Dated this 23 day of July, 1996.

*Robert J. Harrison*  
Circuit Court Judge



I hereby certify that the within is a  
true and correct copy and the whole  
of the original.  
Clerk of Court

By *J. D. Platis*  
Date 10-15-96



IN THE CIRCUIT COURT OF THE STATE OF OREGON  
FOR KLAMATH COUNTY  
KLAMATH COUNTY COURTHOUSE  
316 Main St Klamath Falls, Oregon 97601  
(503) 863-5505

18653

July 25, 1996

Malvin Douglas Ferguson  
Attorney at Law  
635 MAIN STREET  
KLAMATH FALLS OR 97601

Bar#: 85200

Baines Teralee J/Blue Lynda Arlene  
Case#: 9601814CV Civil Contract

NOTICE OF ENTRY OF JUDGMENT

A Judgment by Court was entered in the register of the CIRCUIT Court in the above-noted case on July 24, 1996.

Judgment Money  
was docketed in the CIRCUIT Court judgment docket.

A copy of the judgment docket entry for this case is enclosed with this notice.

This notice is sent in accordance with ORCP 70B.

Client(s) of Addressee:  
Teralee J Baines

CC:  
Lynda Arlene Blue  
Marvin Sommerville

EXHIBIT 2  
PAGE 1 OF 2



18654

Print Judgments..... Klamath County Circuit Court  
 Case#..... 9601814CV Baines Teralee J/Blue Lynda Arlene  
 Civil Contract

JEP 7/24/96 11:12 A  
 Status Closed INAC

2 Judgment Money  
 Docket Entry Date... 7/24/96  
 Judgment Date..... 7/23/96  
 Jgm Court Costs..... \$2,750.28

Judgment Status..... Unsatisfd  
 Docket Entry Time... 11:05 AM  
 Volume/Page.....

9% PER ANNUM

| PTY_JGMT | ROLE      | PLAINTIFF        | ROLE     | JUDGMENT STATUS |
|----------|-----------|------------------|----------|-----------------|
| 1        | Plaintiff | BAINES TERALEE J | Creditor | Unsatisfied     |

| PTY_JGMT | ROLE      | DEFENDANT          | ROLE   | JUDGMENT STATUS |
|----------|-----------|--------------------|--------|-----------------|
| 1        | Defendant | BLUE LYNDY ARLENE  | Debtor | Unsatisfied     |
| 1        | Now Knwn  | ADAMS LYNDY        |        |                 |
| 2        | Defendant | SOMMERVILLE MARVIN | Debtor | Unsatisfied     |

| EVT_ENTER DT | FILE DT | EVENT/FILING/PROCEEDING | SCD DT | TIME |
|--------------|---------|-------------------------|--------|------|
| 11           | 7/24/96 | 7/23/96 Judgment Money  |        |      |
|              |         | 7/23/96 Signed          |        |      |
|              |         | JUD 2 Isaacson Rodger J |        |      |
|              |         | Related event # 12      |        |      |

\*\*\*\*\* END OF DATA \*\*\*\*\*