

MTC 41135-KR
CONTRACT

THIS CONTRACT, made this 16 day of July, 1997, between WILLIAM J. EASTER and BETTY JANE EASTER, husband and wife, hereinafter called the "seller", and JERRY O. ANDERSON and ELIZABETH A. ANDERSON, Trustees under the Anderson Loving Trust dated October 16, 1990, 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 their vendee's interest in that certain contract of sale dated June 9, 1989, recorded in Volume M89, Page 10295, Microfilm Records of Klamath County, Oregon, and re-recorded December 11, 1989, in Volume M-89, Page 23826, Microfilm Records of Klamath County, Oregon, selling the following-described lands and premises situate in Klamath County, Oregon, to-wit:

(see Exhibit "A", attached hereto and by this reference incorporated herein.)

for the sum of One Hundred Twelve Thousand Five Hundred and No/100ths Dollars (\$112,500.00), hereinafter called the purchase price, in part payment of which the buyer assumes and agrees to pay the seller's obligation under the above-described contract now on said land recorded in Volume M89, at Page 10295, Microfilm Records of Klamath County, Oregon, and re-recorded December 11, 1989, in Volume M-89, Page 23826, Microfilm Records of Klamath County, Oregon, and reference to which is hereby made, the seller's unpaid principal balance obligation of which is Forty-One Thousand Seven Hundred Twenty-Six and 80/100ths Dollars (\$41,726.80), together with the interest hereafter to accrue on said contract or mortgage according to the terms thereof, the buyer agrees to pay the balance of said purchase price to the order of the seller, at the times and in amounts as follows, to-wit: Seventy Thousand Seven Hundred Seventy-Three and 20/100ths Dollars (\$70,773.20) payable as follows:

- a. Sixteen Thousand and No/100ths Dollars (\$16,000.00) cash at closing;
- b. Transfer of the 1986 WIA motor home, Plate No. 970908, Title No. 9512825734, Vehicle ID No. 1GBJP37W7G3315225, free and clear of liens, for a credit of \$14,000.00;
- c. The balance of Forty Thousand Seven Hundred Seventy-Three and 20/100ths (\$40,773.20) to be paid to the order of seller in monthly payments of not less than Five Hundred Five and 53/100 Dollars (\$505.53) each, payable on the 10th day of each month hereafter beginning with the month of August, 1997, and continuing until said purchase price is paid in full.

All of said purchase price may be paid at any time; deferred balances of said purchase price shall bear interest at the rate of 8 1/2% per annum from closing, until paid; interest to be paid monthly

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and being included in the minimum monthly 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. Buyer shall pay taxes and insurance when due and provide written confirmation of same to sellers.

The buyer warrants to and covenants with the seller that the real property described in this contract is for business or commercial purposes.

The buyer shall be entitled to possession of said lands on closing and may retain such possession so long as buyer is not in default under the terms of this contract. The buyer agrees that at all times buyer will keep the premises and the buildings, now or hereafter erected thereon, in good condition and repair and will not suffer or permit any waste or strip thereof; that buyer will keep said premises free from construction and all other liens and save the seller harmless therefrom and reimburse seller for all costs and attorney's fees incurred by seller in defending against any such liens; that buyer 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, buyer 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 \$300,000.00 in a company or companies satisfactory to the seller, with loss payable first to the seller and then to the buyer as their respective interests may appear and all policies of insurance to be delivered to the seller 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 seller 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 seller for buyer's breach of contract.

The seller agrees that at seller's expense and within 30 days from the date hereof, seller 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 seller, 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, and the said contract or mortgage. Seller also agrees that when said purchase price is fully paid and upon request and upon surrender of this agreement, seller will deliver a good and sufficient deed and assignment of real estate contract conveying seller's interest in said premises unto the buyer, buyer's heirs and assigns, free and clear of encumbrances as of the date hereof and free and clear of all encumbrances since said date placed, permitted or arising by, through or under seller, excepting, however, the said easements, restrictions, the said contract or mortgage 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 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, and the payments to become due on said contract or mortgage, principal and interest, or any of them, punctually within ten days after notice from seller of default, or fail to keep any agreement herein contained, then the seller at seller's option shall have the following rights:

1. To declare this contract canceled for default and null and void, and to declare the purchaser's rights forfeited and the debt extinguished, and to retain sums previously paid hereunder by the buyer, pursuant to ORS 93.905¹,
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.

In any of such cases, all rights and interest created or then existing in favor of the buyer as against the seller hereunder shall revert to and revest in said seller without any act of re-entry, or any other act of said seller 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 theretofore made on this contract are to be retained by and belong to said seller as the agreed and reasonable rent of said premises up to the time of such default. And the said seller, in case of such default, shall have the right of 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 seller at any time to require performance by the buyer of any provisions thereof shall in no way affect seller's right hereunder to enforce the same, nor shall any waiver by said seller of any breach of any provisions 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 One Hundred Twelve Thousand Five Hundred and No/100ths Dollars (\$112,500.00).

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

In construing this contract, it is understood that the seller or 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 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.

¹BUYER: Comply with ORS 93.905 et seq prior to exercising this remedy.

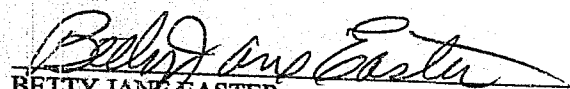
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IN WITNESS WHEREOF, said parties have executed this instrument in duplicate; if either of the undersigned is a corporation, it has caused its corporate name to be signed and its corporate seal affixed hereto by its officers duly authorized thereunto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

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.

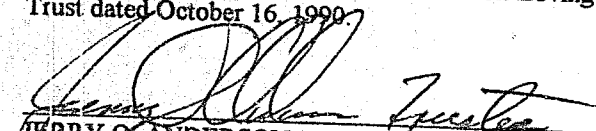
SELLER:


WILLIAM J. EASTER


BETTY JANE EASTER

BUYER:

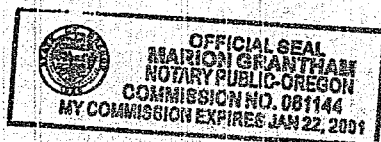
JERRY O. ANDERSON and ELIZABETH A. ANDERSON, Trustees under the Anderson Loving Trust dated October 16, 1990.


JERRY O. ANDERSON


ELIZABETH A. ANDERSON

STATE OF OREGON)
) ss.
 County of Klamath)

Personally appeared the above named WILLIAM J. EASTER and BETTY JANE EASTER and acknowledged the foregoing instrument to be their voluntary act and deed.

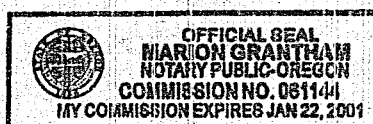


Before me:

Marion Grantham
 NOTARY PUBLIC FOR OREGON
 My Commission Expires: 1/22/01

STATE OF OREGON)
) ss.
 County of Klamath)

Personally appeared the above named JERRY O. ANDERSON and ELIZABETH A. ANDERSON, trustees under the Anderson Loving Trust dated October 16, 1990, and acknowledged the foregoing instrument to be their voluntary act and deed.



Before me:

Marion Grantham
 NOTARY PUBLIC FOR OREGON
 My Commission Expires: 1/22/01

Section 4 of Chapter 618, Oregon Laws 1975, provides:

"(1) All instruments contracting to convey fee title to any real property, at a time more than 12 months from the date that the instrument is executed and the parties are bound, shall be acknowledged, in the manner provided for acknowledgment of deeds, by the owner of the title being conveyed. Such instruments, or a memorandum thereof, shall be recorded by the conveyor not later than 15 days after the instrument is executed and the parties are bound thereby.

(2) Violation of subsection (1) of this section is a Class B misdemeanor."

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Seller's Name and Address:

William J. Easter and Betty J. Easter
1270 Schonchin John
Chiloquin, OR 97624

Buyer's Name and Address:

Jerry O. Anderson and Elizabeth A.
Anderson, Trustees Under the
Anderson Loving Trust
3717 Beverly Drive
Klamath Falls, OR 97603

After Recording, Return to:

AmeriTitle - Collection Dept
Po Box 5017
Klamath Falls OR 97601

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

Mr. and Mrs. Jerry O. Anderson
3717 Beverly Drive
Klamath Falls, OR 97603

EXHIBIT "A"

PARCEL 1:

A parcel of land being a portion of Lots 3, 4, and 5, Block 3, WEST KLAMATH FALLS ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at the Southwesterly corner of Lot 5, Block 3 and running North 06 degrees 45' 00" West 214.58 feet; thence North 83 degrees 15' 00" East 128.87 feet; thence South 43 degrees 47' 09" East 67.99 feet; thence North 83 degrees 15' 00" East 10.00 feet; thence South 8 degrees 57' 40" East 80.07 feet; thence South 06 degrees 46' 55" East 80.18 feet; thence South 83 degrees 12' 58" West 182.95 feet to the point of beginning.

EXCEPTING THEREFROM the South 50 feet of above described parcel.

ALSO EXCEPTING THEREFROM that portion of the Burlington Northern Railroad right of way.

PARCEL 2:

The South 50 feet of the following described parcel:

A parcel of land being a portion of Lots 3, 4, and 5, Block 3, WEST KLAMATH FALLS ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at the Southwesterly corner of Lot 5, Block 3 and running North 06 degrees 45' 00" West 214.58 feet; thence North 83 degrees 15' 00" East 128.87 feet; thence South 43 degrees 47' 09" East 67.99 feet; thence North 83 degrees 15' 00" East 10.00 feet; thence South 8 degrees 57' 40" East 80.07 feet; thence South 06 degrees 46' 55" East 80.18 feet; thence South 83 degrees 12' 58" West 182.95 feet to the point of beginning.

EXCEPTING THEREFROM that portion of the Burlington Northern Railroad right of way.

SUBJECT TO:

1. Terms and provisions contained in deeds to the State of Oregon, recorded July 11, 1962 in Volume 338, page 591, Deed Records of Klamath County, Oregon and recorded November 20, 1962 in Volume 341, page 442, Deed records of Klamath County, Oregon, regarding access to highway.
2. Terms and provisions contained in Quitclaim Deed from the State of Oregon to Great Northern Railway Company, dated April 23, 1964 and recorded May 8, 1964 in Volume 352, page 633, Deed Records of Klamath County, Oregon.
3. Subject to the reservation as set out in Deed dated July 18, 1972 and recorded August 1, 1972 in Volume M72, page 8495, Microfilm Records of Klamath County, Oregon, as follows:
 "Excepting and reserving unto the Burlington Northern, Inc., its successors and assigns forever all iron, natural gas, coal, oil and other minerals of any nature whatsoever upon or in the lands herein described together with the sole, exclusive and perpetual right to explore for, remove and dispose of the same by any means or method suitable to the Burlington Northern, Inc., its successors and assigns, but without entering upon or using the surface of lands herein described and in such manner as not to damage the surface of said lands or interfere with the use thereof, by the purchaser, its successors and assigns.

(continued)

EXHIBIT "A" (continued)

4. Real Estate Contract, subject to the terms and provisions thereof;
 Dated: May 31, 1978
 Recorded: June 8, 1978
 Volume: M78, page 12275, Microfilm Records of Klamath County, Oregon
 Vendor: Mara Alexandria Stashuk (formerly Maloney)
 Vendee: Robert E. Maloney, Jr. and Mara A. Chettle, a partnership
 (Covers other property) (Affects Parcel 1)

5. Real Estate Contract, subject to the terms and provisions thereof,
 Dated: January 1, 1988
 Recorded: February 16, 1988
 Volume: M88, page 2200, Microfilm Records of Klamath County, Oregon
 Vendor: Mara Alexandria Maloney (formerly Stashuk)
 Vendee: Robert E. Maloney, Jr. and Mara A. Chettle, a partnership
 (Affects Tax Lot 2200)

6. Real Estate Contract, subject to the terms and provisions thereof,
 Dated: June 9, 1989
 Recorded: June 9, 1989
 Volume: M89, page 10295, Microfilm Records of Klamath County, Oregon
 Rerecorded: December 11, 1989
 Volume: M89, page 23826, Microfilm Records of Klamath County, Oregon
 Vendor: Robert E. Maloney, Jr. and Mara A. Chettle and Link River Properties, Inc., an Oregon Corporation
 Vendee: Jerry O. Anderson and Elizabeth Anderson, husband and wife, and William J. Easter and Betty Jane Easter, husband and wife

The Vendees interest of Jerry O. Anderson and Elizabeth A. Anderson was conveyed by Bargain and Sale Deed to Jerry O. Anderson and Elizabeth A. Anderson Trustee under Anderson Loving Trust dated October 16, 1990, recorded in Volume M92, page 27354, Microfilm Records of Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aneri title the 17th day
 of July A.D., 19 97 at 3:19 o'clock P. M., and duly recorded in Vol. M97
 of Deeds on Page 22661

FEE \$65.00

By Bernetha G. Letsch County Clerk
Kathleen Ross