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LAND SALE CONTRACT

THIS CONTRACT, MADE AND ENTERED INTO THIS 10TH DAY OR NOVEMBER, 1998, BY AND BETWEEN KLAMATH BUSIESS SERVICES, A DOMESTIC TRUST WHO TOOK TITLE AS KLAMATH BUSINESS SERVICES, HEREIN CALLED SELLER AND BART T. WORRELL AND CONNIE B. WORRELL, HEREINAFTER CALLED BUYER (IT BEING UNDERSTOOD THAT THE SINGULAR SHALL INCLUDE THE PLURAL IF THERE ARE TWO OR MORE SELLERS AND/ OR BUYERS)

WITNESSETH:

SELLER AGREES TO SELL TO THE BUYER AND THE BUYER AGREES TO BUY FROM THE SELLER FOR THE PRICE AND ON THE TERMS AND CONDITIONS SET FORTH HEREAFTER ALL OF THE FOLLOWING DESCRIBED PROPERTY AND IMPROVEMENTS LEGALLY DESCRIBED ON EXIBIT "A", ATTACHED HERETO AND INCORPORATED BY REFERENCE HEREIN AS IF FULLY SET FORTH, SUBJECT TO THE ENCUMBRANCES ALSO SET FORTH ON EXHIBIT "A",

THE TRUE AND ACTUAL CONSIDERATION OF THE TRANSFER, SET FORTH IN SAID CONTRACT, IS \$229,697.00 PAYABLE AT 7.5 INTEREST PER YEAR AND MONTHLY PAYMENTS OF \$2781.04 UNTILL SAID BALANCE IS PAID IN FULL. KLAMATH BUSINESS SERVICES SHALL SERVICE THE CONTRACT.

IT IS MUTUALLY AGREED AS FOLLOWS:

1. POSSESSION: BUYER SHALL BE INTITLED TO POSSESSION OF THE PROPERY AS OF THE DATE HEREOF;

2. PREPAYMENT PRIVILEGES: AFTER THE DATE HEREOF, BUYER SHALL HAVE THE PRIVILEGE OF INCREASING ANY PAYMENT OR PREPAYING THE ENTIRE BALANCE PROVIDED FOR HEREINAFTER WITH INTEREST DUE THEREON TO THE DATE OF PAYMENT;

3. PAYMENT OF LIENS AND TAXES: BUYER SHALL PAY PROMPTLY ALL INDEBTEDNESS INCURRED BY THEIR ACTS WHICH MAY BECOME A LIEN OR PURPORTED LIEN, UPON SAID PROPERTY, AND SHALL REGULARLY AND BEFORE THE SAME SHALL BECOME DELINQUENT, PAY ALL TAXES, INCLUDING ADJUSTMENT OF SAME FOR ANY REASON, ASSESSMENTS, LIENS, AND ENCUMBRANCES OF WHATSOEVER KIND AFFECTING SAID PROPERTY AFTER THIS DATE. AND IN THE EVENT BUYER SHALL FAIL TO SO PAY, WHEN DUE, ANY SUCH MATTERS OR AMONTS REQUIRED BY BUYER TO BE PAID HEREUNDER, OR TO PROCURE AND PAY SEASONABLY FOR INSURANCE, SELLER MAY PAY AND OR ALL SUCH AMOUNTS AND ANY SUCH PAYMENTS SHALL BE ADDED TO THE PURCHASE PRICE AND SUCH AMOUNTS SHALL BEAR INTEREST AT THE SAME RATE AS PPROVIDED HEREIN, WITHOUT WAIVER, HOWEVER, OF ANY RIGHT ARISING TO SELLER FOR BUYER'S BREACH OF CONTRACT, AND, IN SUCH EVENTS THE ESCROW HOLDER IS HEREBY DIRECTED AND AUTHOJRIZED TO SO ADD SUCH AMOUNTS TO THE CONTRACT BALANCE UPON TENDERED A PROPER RECEIPT THEREFORE;

4. INSURANCE: BUYER SHALL KEEP ANY BUILDINGS ON SAID PROPERTY INSURED AGAINST LOSS OR DAMAGE BY FIRE OR OTHER CASULTY IN AN AMOUNT NOT LESS THEN THE FULL INSURABLE VALUE THERE OF WITH LOSS PAYABLE IN THE PARTIES HERETO AND THE INTERESTS HEREIN REFLECTED. IF ANY, ALL AS THEIR INTERESTS APPEAR AT THE TIME OF LOSS, ALL UNINSURED LOSSES SHALL BE BORNE BY THE BUYER ON OR AFTER THE DATE BUYER BECOMES ENTITLED TO POSSESSION: BUYER SHALL FURNISH SELLER PROOF OF SUCH INSURANCE COVERAGE;

5. WASTE PROHIBITED: BUYER AGREES THAT ALL INPROVEMENTS NOW LOCATED OR WHICH SHALL HEREAFTER BE PLACED ON THE PROPERTY, SHALL REMAIN A PART OF THE REAL PROPERTY, AT ANY TIME PRIOR TO THE EXPORATION OF THIS AGREEMENT WITH OUT THE WRITTEN CONSENT OF SELLER.

BUYER SHALL NOT COMMIT OR SUFFER ANY WASTE OF THE PROPERTY, OR ANY IMPROVEMENTS THEREON, OR ALTERATION THEREOF, AND SHALL MAINTAIN THE PROPERTY, IMPROVEMENTS AND ALTERATIONS THEREOF IN GOOD CONDITION AND REPAIR, PROVIDED, BUYER SHALL NOT MAKE OR CAUSE TO BE MADE ANY MAJOR IMPROVEMENTS OR ALTERATIONS TO THE PROPERTY WITHOUT FIRST OBTAINING THEFWRITTEN CONSENT OF SELLER.

6. TRANSFER OF TITLE:

SELLER SHALL UPON THE EXECUTION HEREOF MAKE AND EXECUTE IN FLVOR OF BUYER A GOOD AND SUFFICENT DEED CONVEYING SAID PROPERTY FREE AND CLEAR OF ALL LIENS AND ENCUMBRANCES, EXCEPT AS PROVIDED ON EXHIBIT "A', TOGETHER WITH A GOOD AND SUFFICIENT BILL OF SALE OR CERTIFICTE OF TITLE AS APPROPRIATE AND WILL PLACE SAID DOCUMENT, TOGETHER IN ESCROW WITH KLAMATH BUSINESS SERVICES IN REDDING CA. AND SHALLL ENTER INTO WRITTEN ESCROW INSTRUCTIONS, TO ESCROW HOLDER TO INSTRUCT SAID ESCROW HOLDER THAT WHEN, AND IF, BUYER SHALL HAVE PAID THE BALANCE OF THE PURCHASE PRICE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS CONTRACT, SAID ESCROW HOLDER SHALL DELIVER SAID DOCUMENTS STO BUYER, BUT IN CASE OF DEFAULT BY BUYER SAID ESCROW HOLDER SHALL, ON DEMAD, SURRENDER SAID DOCMENTS TO SELLER;

7 TAX PAYMENT PROCEDURES:

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UNTIL A CHANGE IS REQUESTED, ALL TAX STATEMENTS SHALL BE SENT TO THE ADDRESS DESIGNATED BY BUYER BUYER SHALL BE REQUIRED TO PAY THE SAME AND PROVIDE PROOF OF SUCH PAYMENT TO SELLER WITHIN THIRTY (30) DAYS OF THE DATE OF MAILING OF THE SAID TAX STATEMENT BY THE COUNTY TAX COLLECTOR.

8 PROPERTY TAKEN "AS IS" BUYER CERTIFIES THAT THIS CONTRACT OF PURCHASE IS ACCEPTED AND EXECUTED ON THE BASIS OF HIS OWN EXAMINATION AND PERSONAL KNOWLEDGE OF THE PREMISES AND OPINION OF THE VALUE THEREOF; THAT NO ATTEMPT HAS BEEN MADE TO INFLUENCE HIS JUDGMENT; THAT NO REPRESENTATIONS AS TO THE CONDITION OR REPAIR OF SAID PREMISES HAVE BEEN MADE BY SELLER; AND THAT BUYER TAKES SAID PROPERTY AND THE IMPROVEMENTS THEREON IN THE CONDITION EXISTING AT THE TIME OF THIS AGREEMENT;

9. TIME OF ESSENCE: IT IS UNDERSTOOD THAT AND AGREED BETWEEN THE PARTIES THAT TIME IS OF THE ESSENCEE OFF THIS CONTRACT;

10. DEFAULT: IN CASE BUYER SHALL FAIL TO MAKE THE PAYMENTS AFORESAID, OR THEM PUNCTUALLY AND UPON THE STRICT TERMS AND AT THE TIMES ABOVE SPECIFIED OR FAIL TO KEEP ANY OF THE TERMS OR CONDITIONS OF THIS AGREEMENT, THEN THE SELLER AT HIS OPTION SHALL HAVE THE FOLLOWING RIGHTS;

A) TO DECLARE THIS CONTRACT NULL AND VOID, AFTER GIVING SUCH NOTICE AS IS THEN REQUIRED BY OREGON REVISED STATUES;; AND/OR

B) TO DECLARE THE WHOLE UNPAID PRINCIPAL BALANCE OF SAID PURCHASE PRICE WITH THE INTEREST THEREON AT ONCE DUE AND PAYABLE

C) TO WITHDRAW SAID DEED AND OTHER DOCUMENTS FROM THE ESCROW AND / OR;

D) TO FORECLOSE THIS CONTRACT BY SUIT OR BY STRICT FORECLOSURE 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 UTTERLY CEASE AND DETERMINE, AND THE RIGHT TO THE POSSESSION OF THE PREMISES ABOVE--DESCRIBED ANDALL OTHER RIGHTS ACQUIRED BY THE BUYER 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 BUYER OF RETURN, RECLAMATION OR COMPENSATION FOR MONIES PAID ON ACCOUNT OF THIS PURCHASE OF SAID PROPERTY AS ABSOLUTELY, FULLY AND PERFECTLY ASIF 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 PROPERIY. SHALL HAVE THE RIGHT IMMEDIATLEY, OR ANY TIME THERE AND DEFAULT, SHALLHAVE THE RIGHT IMMEDIATLEY, OR ANY TIME THERE AFTER, TO ENTER UPON THE LAND AFORESAID, WITHOUT ANY PROCESS OF LAW,

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AND TAKE IMMEDIATE POSSESSION THEREOF, TOGETHER WITH ALL OF THE IMPROVEMENTS THEREON; AND ALTERNATIVELY, BUYER SHALL HAVE THE RIGHT TO APPLY TO THE COURT FOR APPOINTMENT OF A RECEIVER AS A MATTER OF RIGHT AND NOTHING IN THIS CONTRACT SHALL PRECLUDE APPOINTMENT OF THE SELLER AS SUCH RECEIVER;

11 ABANDONMENT, SHOULD BUYER, WHILE IN DEFAULT, PERMIT THE PREMISES TO BECOME VACANT FOR A PERIOD IN EXCESS OF 20 DAYS, SELLER MAY TAKE POSSESSION OF SAME INDIVIDUALLY OR BY APPOINTMENT OF A RECEIVER BY SELF-HELP OR BY COURT ORDER FOR THE PURPOSE OF PROTECTING AND PRESERVING THE PROPERTY AND HIS SECURITY INTEREST HEREIN, AND IN THE EVENT POSSESSION IS SO TAKEN BY SELLER HE SHALL NOT BE DEEMED TO HAVE WAIVED HIS RIGHT TO EXERCISE ANY OF THE FOREGOING RIGHTS;

11. ATTORNEY FEES: IN THE EVENT SUIT OR ACTION IS INSTITUTED TO ENFORCE ANY OF THE TERMS OF THIS CONTRACT, THE PRVAILING PARTY SHALL BE ENTITLED TO RECOVER FROM THE OTHER PARTY SUCH SUM AS THE COURT MAY ADJUDGE REASONABLE AS ATTORNEY'S FEES AT TRIAL OR ON APPEAL OF SUCH SUIT OR ACTION, IN ADDITION TO ALL OTHER SUMS PROVIDED BY LAW; 13. NO WAIVER: BUYER FURTHER AGREES THAT FAILURRE BY SELLER AT ANY TIME TO REQUIRE PERFORMANCE BY BUYER OF ANY PROVISION HEREOF SHALL IN NO WAY AFFECT SELLER'S RIGHT HEREUNDER TO ENFORCE THE SAME, NOR SHALL ANY WAIVER BY SELLER 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;

BINDING ON SUCCESSORS:

THIS AGREEMENT SHALL BIND AND INURE TO THE BENEFIT OF, AS THE CIRCUMSTANCES MAY REQUIRE, THE PARTIES HERETO AND THEIR HEIRS, EXECUTORS, ADMINISTRATORS, SUCCESSORS AND ASSIGNS, SUBJECT TO THE FOREGOING;

PURCHASE PRICE AND PAYMENTS:

THE PURCHASE PRICE FOR INTEREST CONVEYED IS THE SUM OF \$229,697.00

PAYABLE AS FOLLOWS;

THE PURCHASE PRICE SHELL BE PAYABLE IN MONTHLY INSTALLMENTS OF \$2781.04 PER MONTH, INCLUDING INTEREST AT 7.5 PERCENT PER ANNUM ON THE UNPAID BALANCE, WHICH SAID SUM INCLUDES PRINCIPAL AND INTEREST ON THE FIRST DAY OF EACH MONTH UNTIL SAID BALANCE IS

IN WITNESS WHEROF, THE PARTIES HAVE CAUSED THIS AGREEMENT TO BE EXECUTED THE DAY AND YEAR FIRST HEREIN ABOVE WRITTEN.



- 11-17-98 SELLER: KLAMATH BUSNESS SERV

BUYER OUNBELlbrick

SELLER'S NAME AND ADDRESS

KLAMATH BUSINESS SERVICES 1147 HARTNELL AVE. REDDING CA. 96002

BUYERS NAME AND ADDRESS

BART T. WORRELL

BUYERS NAME AND ADDRESS

CONNIE B. WORRELL

AFTER RECORDING RETURN TO KLAMATH BUSINESS SERVICES 1147 HARTNELL AVE. REDDING CA. 96002

UNTIL A CHANGE IS REQUESTED TAX STATEMENTS SHOULD BE SENT TO 4709 SO. 6TH STREET KLAMATH FALLS OR. 97603

85.	STATE OF OREGON,
The Canadan 1992.	County of Klainath
ED, That on this Sth day of <u>Celeville</u> , 19.98, a Notary Public in and for said County and State, personally appeared the within	BE IT REMEMBERED, The
	before me, the undersigned, a Wolary named Sourt J. Warrell
(Wowell	connel B Wer
in and who executed the within instrument and	

known to me to be the identical individual described in and who executed the within instrument and acknowledged to me that Thus executed the same freely and voluntarily. IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.



Catherinetto Notary Public for Oregon.

FORM NO. 23 - ACKNOWLEDGMENT STEVENS-NEDS LAW PUB. CO., PORTLAND, ORE.

My Commission expires July 5, 2000

45005

ALL-PURPOSE ACKNOWLEDGMENT

State of Californi SS County of 💪 On before me, personally appeared SIGNER(S) proved to me on the basis of satisfactory - ORpersonally known to me evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the AIMI BRIGGS person(s) acted, executed the instrument. Comm. # 1145982 TARY FUELIC - CALIFORN A Shasta County Comm. Expires Jub. 5 21.91 WITNESS my hand and official seal. ATURF • OPTIONAL INFORMATION • The information below is not required by law. However, it could prevent fraudulent attachment of this acknowledgment to an unauthorized document. **DESCRIPTION OF ATTACHED DOCUMENT** CAPACITY CLAIMED BY SIGNER (PRINCIPAL) INDIVIDUAL CORPORATE OFFICER TITLE (S) PARTNER(S) UMBER OF PAGES ATTORNEY-IN-FACT TRUSTEE(S) GUARDIAN/CONSERVATOR OTHER: OTHER RIGHT THUMBPRINT SIGNER IS REPRESENTING: OF NAME OF PERSON(S) OR ENTITY(IES) SIGNER ъ 50,10 this Sell Bus. VALLEY-SIERRA, 800-362-3369

PARCEL 1:

A parcel of land situate in the SEI/4 of the NW1/4 of Section 2, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at a point on the South boundary of the SEI/4 NWI/4 of Section 2, Township 39 South, Range 9 East of the Willamette Meridian, 495 feet East of the Southwest corner thereof; thence North and parallel to the West line of said SEI/4 NWI/4 a distance of 178 feet to the Southwest corner of the tract herein described, being the true point of beginning; thence East and parallel with the North line of said SEI/4 NWI/4, 82 1/2 feet; thence North and parallel with the West line of said SEI/4 NWI/4, 42 feet; thence West and parallel with the said North line of SEI/4 NWI/4, 82 1/2 feet; thence South and parallel with said West line of SEI/4 NWI/4, 42 feet to the true point of beginning, EXCEPTING THEREFROM the West 25 feet of said tract conveyed for road purposes.

Tax Account No.: 3909 028D 4600

PARCEL 2:

A parcel of land situate in the SE1/4 of the NW1/4 of Section 2, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at a point on the South boundary line of said SEl/4 NW1/4 of said Section 2, 495 feet East of the Southwest corner of said SEl/4 NW1/4 of said Section 2; thence East along the South boundary line of SEl/4 NW1/4 of said Section 2, 82 1/2 feet; thence North and parallel to the West line of said SEl/4 NW1/4 of Section 2, 178 feet; thence West and parallel to the North line of said SEl/4 NW1/4 of said Section 2, 82 1/2 feet; thence South and parallel to the West line of said SEl/4 NW1/4 of said Section 2, 178 feet to the place of beginning; EXCEPTING that portion of the above described tract lying within the boundaries of South Sixth Street adjacent on the South and EXCEPTING that portion lying within the boundaries of Hope Street adjacent on the West.

ALSO EXCEPTING THEREFROM that portion deeded to the State of Oregon by and through the State Highway Commission in Deed Volume M65 at page 4730, Microfilm Records of Klamath County, Oregon

Tax Account No.: 3909 028D 4500

PARCEL 3:

A parcel of land situate in the SE1/4 of the NW1/4 of Section 2, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at a point on the South boundary line of said SE1/4 of NW1/4 of Section 2, 577 1/2 feet East of the SW corner of said SE1/4 of NW1/4 of Section 2; thence East along the South boundary line of said SE1/4 of NW1/4 of said Section 2, 82 1/2 feet; thence North and parallel to the West line of said SE1/4 of NW1/4 of said Section 2, 220 feet; thence West and parallel to the North line of said SE1/4 of NW1/4 of said Section 2, 82 1/2 feet; thence South and parallel to the West line of said SE1/4 of NW1/4 of said Section 2, 220 feet to the place of beginning; SAVING AND EXCEPTING THEREFROM, that portion deeded to the State of Oregon in Deed Volume 352 on page 308, Records of Klamath County, Oregon, for the Dalles-California Highway.

Tax Account No.: 3909 0280 4400

SUBJECT TO contracts and/or liens for irrigation and/or drainage, *the schedule of exclusions from coverage, together with any schedules contained in standard title policies,* reservations, easements, restrictions and rights of way of record and those apparent on the land.

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ALSO SUBJECT TO rights of the public in and to any portion of the herein described premises lying within the limits of streets, roads or highways.

ALSO SUBJECT TO the statutory powers, including the power of assessment, of South Suburban Sanitary District.

ALSO SUBJECT TO the statutory powers, including the power of assessment, of Interprise Irrigation.

ALSO SUBJECT TO the statutory powers, including the power of assessment, of Klamath Project.

ALSO SUBJECT	TO the terms and provisions of Road Agreement:
Dated:	October 1, 1925
Recorded:	March 1, 1926
Volume:	69, Page 331, Deed Records of Klamath
	County, Oregon.
From:	A.L. Paul, et ux
To:	J. H. Caldwell, et ux

ALSO SUBJECT TO a 20 foot easement off the West side for use as a driveway as evidenced by instrument, recorded May 2, 1956 in Volume 282 at Page 562, Deed Records of Klamath County, Oregon. (Affects Parcel 2)

ALSO SUBJECT TO Grant of Roadway, subject to the terms and conditions thereof: Dated: August 20, 1963 Recorded: March 23, 1964 Volume: 351, Page 635, Deed Records of Klamath County, Oregon (Affects Parcel 1)

ALSO SUBJECT TO limited access provisions contained in Deed to the State of Oregon, by and through it's State Highway Commission, which provides that no right or easement of right of access to, from or across the State Highway other than expressly therein provided for shall attach to the abutting property: Recorded: April 14, 1964

Volume: 352, Page 308, Deed Records of Klamath County, Oregon

(Affects Parcel 3)

ALSO SUBJECT TO slope easement as set out in instrument: Entered: April 10, 1964 Recorded: April 14, 1964 Volume: 352, Page 308, Deed Records of Klamath County, Oregon (Affects Parcel 3)

ALSO SUBJECT TO Grant of Right-of-Way, subject to the terms and provisions thereof: Dated: March 3, 1965 Recorded: March 26, 1965 Volume: 360, Page 338, Deed Records of Klamath County, Oregon. By and Between: Lewis J. Frankenbery and Patricia I.

Prankenbery, husband and wife, and Pacific Power & Light Company, a Maine corporation. (Affects Parcel 2) ALSO SUBJECT TO Limited access provisions contained in Deed to the State of Oregon, by and through it's State Highway Commission, which provides that no right or easement of right of access to, from or across the State Highway other than expressly therein provided for shall attach to the abutting property. Recorded: December 16, 1965 Volume: M65, Page 4730, Microfilm Records of Klamath County, Oregon.

(Affects Parcel 2)

ALSO SUBJECT TO Slope Easement as set out in instrument:Entered:December 6, 1965Recorded:December 16, 1965Volume:M65, Page 4730, Microfilm Records of Klamath
County, Oregon.

(Affects Parcel 2)

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 INSTRU-MENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPART-MENT TO VERIPY APPROVED USES.

STATE OF OREGON: COUNTY OF KLAMATH : ss.

Filed for	record at request	of <u>Klamath Business Services</u> the 9th	dav
of	December	A.D., 19 98 at 1:28 o'clock P. M., and duly recorded in Vol. M98	
		of Deeds on Page 45000	
FEE	\$70.00	Return: Klamath Business Services Bernetha G. Letsch, County Clerk 4444 Lombard Dr. By Katturn Kosa	
		KFO 97603	