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CONTRACT—REAL ESTATE

THIS CONTRACT, Made this 23 day of MARCH 2002, between

Almora A. Brackett and Helen L. Brackett, hereinafter called the sellers,
and Edward Schaefer, hereinafter called the buyer,

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

A PORTION OF THE SE 1/4 NW 1/4 OF SECTION 14, TOWNSHIP 36 SOUTH, RANGE 10 EAST, WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON, described as follows:

BEGINNING AT A POINT WHICH IS 2,340 FEET SOUTH AND 1,293 FEET EAST OF THE NORTHWEST CORNER OF SAID SECTION 14; THENCE SOUTH 175 FEET; THENCE EAST 120 FEET; THENCE NORTH 175 FEET; THENCE WEST 120 FEET TO THE POINT OF BEGINNING

for the sum of Twenty Seven Thousand Dollars (\$ 27,000.00) (hereinafter called the purchase price) on account of which THREE THOUSAND Dollars (\$ 3,000.00) is paid on the execution hereof (the receipt of which is hereby acknowledged by the sellers), and the remainder to be paid to the order of the sellers at the times and in amounts as follows, to-wit: \$24,000

To be paid AT \$275^{ES} / ^{AB} H.B. DOLLARS A MONTH BEGINNING ON APRIL 5TH 2002 UNTIL CONTRACT IS PAID IN FULL.

All of said purchase price may be paid at any time; all deferred balances shall bear interest at the rate of 10 per cent per annum from MARCH 23, 2002 until paid; interest to be paid MONTHLY and * being included in the minimum regular payments

above required. Taxes on said premises for the current fiscal year shall be prorated between the parties hereto as of 19.

The buyer warrants to and covenants with the sellers that the real property described in this contract is

* (A) primarily for buyer's personal, family or household purposes,

(B) for an organization or (even if buyer is a natural person) is for business or commercial purposes.

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 MARCH 23 2002, 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 sellers harmless therefrom and reimburse sellers for all costs and attorney's fees incurred by them 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 \$, and may retain such possession so long as buyer is 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 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 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, buyer's 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 buyer's assigns.

(Continued on Reverse)

* IMPORTANT NOTICE: Delete, by lining out, whichever phrase and whichever warranty (A) or (B) is not applicable. If warranty (A) is applicable and if sellers are creditors, as such word is defined in the Truth-in-Lending Act and Regulation Z, the sellers MUST comply with the Act and Regulation by making required disclosures; for this purpose, use Stevens-Ness Form No. 1319, or equivalent.

Almora A. and Helen L. Brackett
P.O. Box 345
Sprague River, OR 97639
SELLER'S NAME AND ADDRESS

STATE OF OREGON,

Ed Schaefer
GENERAL DELIVERY
Sprague River, OR 97639
BUYER'S NAME AND ADDRESS

After recording return to:

Ed Schaefer
GENERAL DELIVERY
Sprague River, OR 97639
NAME, ADDRESS, ZIP

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

Ed Schaefer
GENERAL DELIVERY
Sprague River, OR 97639
NAME, ADDRESS, ZIP

SPACE RESERVED

FOR

RECORDER'S USE

State of Oregon, County of Klamath

Recorded 04/03/2002 850 a.m.Vol M02, Pg 19464-65

Linda Smith, County Clerk

Fee \$ 26 # of Pgs 2

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, punctually within 20 days of the time limited therefor, 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 cancelled 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;
- (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 utterly cease 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 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 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 provision hereof 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 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 \$..... ① However, the actual consideration consists of or includes other property or value given or promised which is part of the consideration (indicate which) ①

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 buyer may be more than one person or a corporation, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

This agreement shall bind and inure to the benefit of, as the circumstances may require, not only the immediate parties hereto but their respective heirs, executors, administrators, personal representatives, successors in interest and assigns as well.

IN WITNESS WHEREOF, said parties have executed this instrument in triplicate; 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.

Wm. Brackett
Helen J. Brackett
Edward A. Schaefer

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

NOTE—The sentence between the symbols ①, if not applicable, should be deleted. See ORS 93.030.

(If executed by a corporation, affix corporate seal)

(If the signer of the above is a corporation, use the form of acknowledgment opposite.)

STATE OF OREGON,

County of } ss.

This instrument was acknowledged before me on , 19 .., by

(SEAL)

Notary Public for Oregon

My commission expires:

STATE OF OREGON,

County of *Clatsop* } ss.

This instrument was acknowledged before me on *March 23, 2002* by *Wm. Brackett, Helen Brackett, Edward A. Schaefer* as of

Leona Maddux
 Notary Public for Oregon

My commission expires: *August 19, 2002*

(SEAL)

ORS 93.635 (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 conveyor of the title to be 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.

ORS 93.990(3) Violation of ORS 93.635 is punishable, upon conviction, by a fine of not more than \$100.

(DESCRIPTION CONTINUED)

IF PROPERTY IS RESOLD THIS CONTRACT MUST BE PAID IN FULL.
ALL STRUCTURES AS IS.