

LAND CONTRACT - CONTRACT FOR DEED

Parties:

BE IT KNOWN, this LAND CONTRACT is entered into and made between the undersigned: Dave R. and Cheri L Noble ("Buyer"), whether one or more, whose address is 26161 Hwy., 70 Bonanza, Oregon 97632 and Cheryl Riggs Trust ("Seller"), whether one or more whose address is 137 E. Arctic Avenue, Palmer, Alaska 99645 on this date August 1, 2003. All Buyers, if more than one, covenants and agrees that their obligations and liability under this Land Contract shall be joint and several.

NOW THEREFORE, the Parties hereto, intending to be legally bound in consideration of the mutual Covenants and agreements set forth herein, hereby agree as follows:

Premises:

Seller hereby agrees to convey, sell, assign, set over and transfer unto the Buyer all of Seller's Right, Title, and Interest in the property known as and/or situated at: 27770 Hwy., 70, Bonanza, County of Klamath, State of Oregon, more particularly described (see exhibit A & exhibit B) as:

(1) a tract of land situated in Section 6, Township 39 South, Range 11, East of the Willamette Meridian, Klamath County, Oregon and (2) a tract of land situated in the NW ¼ SE ¼ of Section 6, Township 39 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon ("the premises") together with all rights of ownership, tenements, improvements and appurtenances, if any, now on the Premises, and subject to all easements, conditions, encumbrances, rights, whether or not such easements, conditions, encumbrances, and rights are of record, zoning laws and ordinances, restrictions on use, restrictions on building and any other limitations, if any, affecting the Premises, and all permanently attached fixtures which shall include but shall not be limited to windows, storm or otherwise, plumbing, lights, ceiling fans, smoke detectors and

- ◆ One wheel line with Travis Mover (Serial #91-517) 7 foot wheels, 20 feet hose and turn out, 49 joints, clamps, internal gaskets, levelers, and one end plug. Line, mover, and all parts are in like new condition.
- ◆ One wheel line with Wade-Rain Mover, (Serial #D77312-7 1/2hp Brig N' Stratton Motor) 7 foot wheels, hose and turn out, 42 joints, clamps, and internal gaskets, levelers and one end plug, line, mover, and all parts are in like new condition.
- ◆ 10" main line, 21 joints with 8 risers, rubbers, (like new).
- ◆ 6" main line, 57 joints with 20 risers and rubbers (like new).
- ◆ One 10" to 6" adapter.
- ◆ Two, 80 degree 6" joints.
- ◆ 4" line, 68 pieces, 34 risers (good condition).
- ◆ One 6" T to 4" adapter.
- ◆ One 6" T.
- ◆ 3" line, 17 pieces with 8 risers.
- ◆ Three 1995, 1998, and 2000 Gun and Wheel Stands (like new).
- ◆ Three turn out valves.
- ◆ One 6" Y.
- ◆ Two 10" rubber hoses for wheel lines
- ◆ The Irrigation Pump System including two electric motors (1-75hp and 1-50hp), valves, piping, screens, and water intake tanks.
- ◆ 400-Ton Hay Shed
- ◆ Two out buildings approximately 40'x160' and 32'x80'
- ◆ Four-wheeler and sprayer
- ◆ Dog and Dog Kennel with concrete floor
- ◆ Garbage trailer
- ◆ A-frame Hoist
- ◆ Ditcher
- ◆ All Misc. Irrigation Equipment and tools in Shop Area

now attached to or on the premises. Furthermore, subject to the following conditions: Present Value of Irrigation Equipment as valued by J.W. Kerns is \$ 28,000.00.

State of Oregon, County of Klamath
 Recorded 07/31/2003 9:58a m
 Vol M03 Pg 54428-35
 Linda Smith, County Clerk
 Fee \$ 56⁰⁰ # of Pgs 8

56^v
 Rt: Cheryl Riggs
 137 E. Arctic Ste 101
 Palmer, AK 99645

Terms of Payment:

Buyer hereby purchases said Premises from Seller and agrees to pay Seller the said Principal Sum of Two Hundred Fifty Thousand Dollars (\$250,000.00) in the manner as follows:

- (1) Five Thousand Dollars (\$5,000.00) on delivery of this Contract, the receipt of which is hereby confessed and acknowledged by said Seller.
- (2) The unpaid balance of Two Hundred Forty Five Thousand Dollars (\$245,000.00), the sum which is secured by this Contract, shall be paid as follows:
 - a. Payable, together with interest on the whole sum that shall be from time to time unpaid, at the rate of eight percent (8%) per annum, beginning on the 1st day of April, 2004, and continuing on the same day of each year thereafter until the entire indebtedness evidenced hereby is fully paid. This 8% is based on a 20 year note $P/I=0.10185$.

If interest is charged, said interest shall be computed monthly and first deducted from payment and the balance of payment shall then be applied on principal.

Buyer does covenant to make payment to Seller at:

137 E. Arctic Avenue, Palmer, Alaska 99645 or such other place as Seller may designate in writing. All payments made to Seller by Buyer shall be in the form of cash, check, or certified check drawn on a financial institution whose deposits are insured by a federal agency. Unless otherwise stated in this Contract, all payments by Buyer to Seller shall be in the form(s) herein specified.

Payments received from Buyer by Seller are to first be applied by Seller to the interest, if any, and then principal owing, if any, on the Premises.

Late Charges:

If Buyer fails to pay, any installment due hereunder, within fifteen (15) days after the due date of said installment, Buyer shall be required to pay an additional charge of one-half percent (1.5%) of the late installment as allowed by applicable Oregon State law. Said additional charge shall be immediately due and paid to Seller at the time of payment of the past due installment.

Returned Check and Stop Payment:

In the event any instrument offered by Buyer to Seller for any amount due under this Contract is returned for lack of sufficient funds, a "stop payment" or any other reason, Buyer shall be liable to and pay Seller a returned check charge of two hundred fifty Dollars (\$250.00), which does not exceed the maximum amount allowed by applicable Oregon State law.

Early Payment By Buyer:

Buyer shall have the right to accelerate the payment of the indebtedness, and to pay the whole, or any part of the balance remaining unpaid on this Contract, at any time before the same, by the terms hereof, becomes due and payable without penalty.

Date of Payments:

The date of payment, if sent by mail, shall be determined by the postmark on the envelope, or the date of the paying instrument, whichever is later, or the date of actual delivery if hand delivered.

Notices:

All written notices permitted or required by this Contract to be given to the parties hereto shall identify this Contract by DATE, PARTIES, and DESCRIPTION and shall be binding and deemed sufficiently served upon said parties respectively when sent by First Class mail of the United States Postal Service, pre-paid, certified, return receipt requested to the Seller and Buyer at the following addresses:

- Seller at: 137 E. Arctic Avenue, Palmer, Alaska 99645.
- Buyer at: 26161 Hwy. 70 Bonanza, Oregon 97623

Either party may change such location by giving written notice to the other Party specifying the new location.

Improvements:

All buildings, trees or other improvements now on said Premises, or hereafter made or placed thereon, shall be considered a part of the Premises, and shall be security for the performance of this Contract, and may not be removed from Premises, except as may be necessary to improve Premises by constructing a driveway or building site. Buyer shall not commit, or suffer any other person to commit, any waste or damage to Premises and shall keep Premises in its new and/or improved condition.

Buyer's Acceptance of Premises - "As-Is":

Buyer Accepts Premises as-is, and agrees that no verbal promises have been made which do not appear in writing. Buyer assumes full responsibility as to suitability of Premises for any particular purpose.

Taxes and Adjustments:

While this Contract is in effect, Buyer shall promptly pay, when due, all taxes and assessments of every nature, which shall become a lien on Premises after the date hereof, however, the current year's taxes, if any, shall be prorated, and shall be treated as though paid in arrears. Seller reserves the right to pay any taxes or assessments, and to bill Buyer for full reimbursement, and if such become delinquent thirty days past notification to Buyer, then the amount expended shall become a lien on the Premises, and Seller may add said amount to the principal balance remaining on this Contract, said amount to be due at once, and to bear interest at one-half percent (1.5%) per annum.

Insurance:

While this Contract is in effect, Buyer shall, in an amount of not less than One Hundred Fifty Thousand Dollars (\$150,000.00), keep any buildings on Premises insured, against loss by fire and windstorm, naming Seller as additional insured. All policies against loss by fire and windstorm shall be deposited with Seller. Should Buyer fail to keep said buildings insured, Seller may pay the same and have the buildings insured and the amounts thus expended shall be treated in the same manner as with unpaid taxes, with Seller to bill Buyer for full reimbursement, and if such become delinquent thirty days past notification to Buyer, then the amount expended shall become a lien on the Premises, and Seller may add said amount to the principal balance remaining on this Contract, said amount to be due at once, and to bear interest at eight percent (8%) per annum.

Initials: Buyer: _____

In the event any insurance proceeds become available due to loss or damage to the Premises, the Buyer may elect to repair or rebuild any or all damaged parts of the premises providing Buyer gives Seller written notice of Buyer's election to repair or rebuild Premises within sixty (60) days of said loss or damage. If Buyer elects to repair or rebuild Premises, and thus notifies Seller as herein stipulated, the insurance proceeds herein mentioned shall be used for such purpose. Any unused or remaining amount of said insurance proceeds, if any, remaining after completion of said repairing or rebuilding, or all of said insurance proceeds if the Buyer elects not to repair or rebuild the Premises, shall be applied in the following manner:

- (1) First, toward the satisfaction of any existing defaults under the terms of this contract;
- (2) Second, as a prepayment on the principal balance of any remaining indebtedness secured by this Contract with no such prepayment deferring the time for payment of any remaining payments required by this Contract;
- (3) Third, the remaining proceeds, if any, after the satisfaction of defaults and the prepayment on the principal balance, shall be paid to Buyer;

Insurance of Buyer's Personal Property Within or On Premises:

Both parties expressly agree that Buyer shall be solely responsible for obtaining insurance on Buyer's personal property and/or belongings situated within or on the Premises. Buyer hereby releases Seller of any responsibility whatsoever for the loss of Buyer's personal property or belongings situated within or on the Premises.

Default / Breach By Buyer:

If Buyer is in default due to Buyer's failure to perform or comply with the covenants, conditions or terms of this Contract, Seller may give Buyer written notice specifying the default which has occurred and inform Buyer in such notice that such default must be cured within fifteen (15) days from the date of the Notice. In the event the default is not cured in the fifteen

(15) day time period, then Seller may give Buyer written notice specifying Buyer's failure to cure the default and notifying Buyer that if the default continues for a period of an additional fifteen (15) days after service of the notice of failure to cure, that without further notice, this Contract shall immediately thereafter be void, cancelled and forfeit, and all improvements, buildings and all payments made on this Contract, including taxes and assessments, shall be forfeited to Seller as liquidated damages. In addition, Seller shall be entitled to recover such other damages caused by the acts or negligence of Buyer as they may be due, and Seller shall be entitled to immediate peaceable possession of premises.

Initials: Buyer: _____

Seller may, on default being made, unless prohibited by applicable State law, ACCELERATE the entire remaining indebtedness secured by this Contract, whereby the whole sum remaining unpaid under this Contract, including the entire principal balance and unpaid interest, shall become immediately due and payable, notwithstanding that the date previously specified in this Contract for full payment of the whole sum may not then have expired, and Seller may take appropriate action against Buyer for collection of same according to the laws of the State of Oregon.

Initials: Buyer: _____

In the event of default and the remaining indebtedness being accelerated, Buyer shall have the right of reinstatement as allowed under the laws of the State of Oregon, provided that Buyer:

- a. Pays all sums due under this Contract as if no acceleration had occurred;
- b. Cures any other then existing defaults due to Buyer's failure to perform or comply with the covenants, conditions or terms of this Contract;
- c. Pays all expenses incurred in enforcing this Contract, including, but not limited to, reasonable attorneys' fees, and all other fees incurred for the purpose of protecting Seller's interest in the Premises and Seller's rights under this Contract.

Upon reinstatement by Buyer, this Contract and the obligations secured by this Contract shall remain in full force and effect as if no acceleration had occurred.

In the event of default, Buyer shall pay to Seller, Seller's reasonable and actual attorneys' fees and expenses incurred by Seller in enforcement of any rights of Seller. All attorneys' fees shall be payable prior to Buyer being deemed to have corrected or cured any such default.

In the event of termination of this Contract and Buyer's failure to vacate the Premises, it is expressly agreed by all parties that Seller shall have the right to obtain possession by any legal means necessary, including action against Buyer in an appropriate court of law.

Waiver:

For the purposes of this Contract, the word "may" gives sole discretion without any obligation to take action, and thus, failure of Seller to exercise his/her rights under this Contract shall not be deemed as a waiver by Seller to exercise said rights at any time. Seller may enforce his/her (Seller's) rights under this Contract according to the laws of the State of Oregon.

Default / Breach By Seller:

If the Seller fails to perform any of the Covenants or Conditions contained in this contract, the aforesaid money paid by the Buyer, at the option of the Buyer, shall be returned to the Buyer on demand; or the Buyer shall have only the right of specific performance.

In the event the Seller shall default upon any now existing or future mortgage or land contract regarding the Premises, Buyer shall have the right to do the acts and/or make payments necessary to cure such default and shall be immediately and automatically reimbursed, for so doing, by receiving credit to this Contract, in the amount of the payment to cure such default, to be applied to the remaining indebtedness, whether due or to become due, secured by this Contract.

Seller will send Buyer written notification yearly of mortgage payment. First Mortgage is presently held by Farm Credit Services.

Conveyance of Deed:

If Buyer shall, in the time and manner above specified, make all the payments, observe and perform all covenants and conditions herein made and herein provided, Seller shall thereupon, at Seller's expense, by good and sufficient Warranty Deed, convey the Premises to Buyer on the conditions herein agreed, free and clear of any liens or encumbrances other than taxes and assessments for the current year, however, if permissible by applicable state law, the Deed shall be limited so as to except acts or negligence of parties other than Seller subsequent to the date of this Contract. In any event, Buyer hereby agrees to hold Seller harmless for any acts or negligence of parties other than Seller subsequent to the date of this Contract. Except for costs resulting from acts, negligence, or death of Seller, all cost of additional evidence of title shall be the obligation of Buyer.

Possession of Premises:

Possession of Premises may be taken by Buyer on the execution of this Contract. Buyer may enjoy peaceful enjoyment of Premises as long as Buyer is not in default of the covenants and conditions contained in this Contract, including the timely payment of monies stipulated herein.

Buyer's Assignment:

Buyer may not sell, transfer or convey his/her (Buyer's) Interest in this Contract, any part thereof, or any Interest in the subject property of this Contract without first securing the written consent of the Seller (his/her survivor). Buyer may assign his/her Interest in this Contract, any part thereof, or any Interest in the subject property, provided such assignment shall not result in the probability of waste or other impairment of Seller's security in the Premises or the probability of default on behalf of Buyer as a result of any such assignment. Under no circumstances shall any assignment release Buyer from his/her obligations under this Contract unless Seller releases Buyer in writing. No assignment, however, shall be valid until written notice thereof has been given to Seller.

Seller's Assignment and Subordination:

Seller reserves the right to convey his/her (Seller's) Interest in the Premises, and this Contract. Seller may, during the lifetime of this Contract, place, continue and renew a mortgage on the Premises, which shall be a lien on the Premises, superior to the rights of Buyer, provided that on the date that any new or renewed mortgage commences, the principal amount of said mortgage is not greater than the principle amount due on this Contract at that time and under no circumstances shall said mortgage have a term beyond or scheduled date of satisfaction on a date later than this Contract is scheduled to be satisfied. Priority of lien for same shall be secured by giving written notice to Buyer within fifteen (15) days of the execution all such new mortgages and renewals containing the name and address of the lien holder, the rate of interest of such mortgage, the amount and due date of payments and maturity of principal.

Eminent Domain:

If the premises or any part thereof or any estate therein, or any other part of the premises materially affecting Buyer's use of the premise, shall be taken by eminent domain, this Contract shall terminate on the date when title vests pursuant to such taking. Any award from such taking shall be applied in the following manner:

- (1) First, toward the satisfaction of any existing defaults under the terms of this contract;
- (2) Second, as a payment on the principal balance of any remaining indebtedness secured by this Contract;
- (3) Third, the remaining proceeds, if any, after the satisfaction of defaults and the payment on the principal balance, shall be paid to Buyer;

Both Buyer and Seller expressly agree that in the event such award is insufficient in amount to secure Seller's interest in this Contract by compensating Seller, in full, for any then existing defaults under the terms of this contract, as well as, the principal balance of any remaining indebtedness secured by this Contract, then Buyer shall not be entitled to any part of the award for such taking or any payment in lieu thereof.

Time:

Buyer and Seller expressly understand and agree that time is of the essence of this Contract.

Paragraph Headings:

The headings of particular paragraphs and subparagraphs are inserted only for convenience and are not part of this Agreement and are not to act as a limitation on the scope of the particular paragraph to which the heading refers.

Binding:

Each and every provision in this Contract shall inure to the benefit of and shall be binding upon the heirs, assigns, personal representatives, executors and administrators of each party, and all successors in the interest of the parties. No person shall have a right or cause of action arising or resulting from this agreement except those who are parties to it and their successors in interest.

Entire Agreement:

This document and any Attachments constitutes the final and entire Agreement between the parties hereto, and no promises or representations, other than those contained here and those implied by law, have been made by Seller or Buyer. Neither Seller or Buyer shall be bound by any terms, conditions, statements, warranties or representations, oral or written, not herein contained unless made in writing and signed by both Seller and Buyer.

Severability:

The provisions of this Contract are severable and in the event any provision, clause, sentence, section or part thereof is held to be invalid, illegal, unconstitutional, inapplicable or unenforceable to any person or circumstances, such invalidity, illegality, unconstitutionality, inapplicability or unenforceability shall not affect or impair any of the remaining provisions, sentences, clauses, sections, parts of the agreement or their application to Buyer or other persons or circumstances. It is understood and agreed that the terms, conditions and covenants of this Contract would have been made by both parties if such invalid, illegal, unconstitutional, inapplicable or unenforceable provision, sentence, clause, section or part had not been included therein. To the extent that any portion of this Contract found to be invalid, illegal, unconstitutional, inapplicable or unenforceable may be valid by striking of certain words or phrases, such words or phrases shall be deemed to be stricken and the remainder of the provisions and the remainder of the other portions of this Contract shall remain in full force and effect. It is further agreed that this Contract may be executed in counterparts, each of which when considered together shall constitute the original agreement.

Additional Provisions:

Extend one-year payment to end of contract if Horsefly Irrigation District does not issue water/or irrigation well is not available.

Buyer will obtain water test on said premises.

David R Noble
DAVE R. NOBLE
BUYER

Cheri L. Noble
CHERI L. NOBLE
BUYER

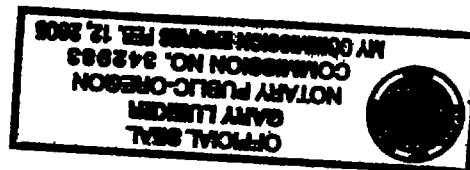
Cheryl Riggs
CHERYL RIGGS-TRUST
SELLER

NOTARY

State of OREGONCounty of KLAMATH

On this 31 day of July, 2003, before me, the undersigned Notary Public, personally appeared DAVE & CHERI NOBLE and CHERYL RIGGS, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons who signed and executed the foregoing instrument in their authorized capacity.

My Commission Expires: FEB 12, 2005



WARRANTY DEED -- STATUTORY FORM

Vol M01 Page 65082

Grantors: John H. Riggs and Cheryl D. Riggs
 Grantee: Cheryl D. Riggs, Trustee
 After recording return to: *pt.* Cheryl D. Riggs, Trustee
 137 E. Arctic Avenue
 Palmer, Alaska 99645
 Address for tax statements: Cheryl D. Riggs, Trustee
 137 E. Arctic Avenue
 Palmer, Alaska 99645

54434

Consideration: The true consideration for this conveyance is \$NONE. The actual consideration consists of other value given.

JOHN H. RIGGS and CHERYL D. RIGGS, husband and wife, Grantors, convey and warrant to CHERYL D. RIGGS, Trustee of the CHERYL D. RIGGS 2001 Trust, Grantees, the following described real property free of encumbrances except as specifically set forth herein situated in Klamath County, Oregon:

A tract of land situated in Section 6, Township 39 South, Range 11, East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the South 1/16 corner, from which the section corner common to Sections 5, 6, 7 and 8 of said Township and Range is Southerly 1320 feet, more or less; thence Northerly along said Section line between said Sections 5 and 6, 1218 feet, more or less, to the Southerly right of way line of the Bonanza-Dairy Highway; thence along said right of way North 56 degrees 58'22" West, 3890 feet to a point from which the section corner common to said Sections 5, 6, 7 and 8 bears South 35 degrees 07'15" East, 5695.43 feet; thence South 41 degrees 39'13" West, 255.74 feet; thence South 35 degrees 16'04" East 188.46 feet; thence South 26 degrees 46'50" East, 586.15 feet; thence Southerly 235 feet, more or less, to an iron pin being the Northeast corner of that tract of land described as the exception from Parcel 3 in Deed Volume M78, page 13640 of the Klamath County deed records; thence along the East line of said Deed Volume - Parcel 3 exception, South 68.7 feet to an iron pin; thence along the Westerly line of said Deed Volume, Parcel 3, Paragraph 2, South 29 degrees 51' East, 843.7 feet to an iron pin and South 00 degrees 13' West, 183.7 feet to the center 1/4 corner of said Section thence Southeasterly to the SE1/16 corner of said Section 6; thence Easterly to the point of beginning.

The said property is free from encumbrances except easements, conditions, restrictions and roadways of record.

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 20th day of December, 2001.

John H. Riggs
 JOHN H. RIGGS

Cheryl D. Riggs
 CHERYL D. RIGGS

STATE OF ALASKA

} ss.

December 12, 2001.

THIRD JUDICIAL DISTRICT

Personally appeared the above-named JOHN H. RIGGS and CHERYL D. RIGGS, and acknowledged the foregoing instrument to be their voluntary act and deed.



Notary Public for Alaska

My Commission expires: 12-10-04

State of Oregon, County of Klamath
 Recorded 12/20/01 11:32a. m.
 Vol M01, Pg 65082
 Linda Smith, County Clerk
 Fee \$ 26⁰⁰ # of Pgs 1

FORM No. 723 - BARGAIN AND SALE DEED (Individual or Corporate).

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BARGAIN AND SALE DEED

Vol. m96 Page 13463

17278
KNOW ALL MEN BY THESE PRESENTS, That Klamath County, A Public Corporation of the State of Oregon, hereinafter called grantor, for the consideration hereinafter stated, does hereby grant, bargain, sell and convey unto Cheryl Riggs

hereinafter called grantee, and unto grantee's heirs, successors and assigns all of that certain real property with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, situated in the County of Klamath, State of Oregon, described as follows, to-wit:

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A tract of land situated in the NW1/4 SE1/4 of Section 6, Township 39 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the center one-quarter corner of said Section 6; thence Southerly to the Southwest corner of said NW1/4 SE1/4; thence Easterly to the Southeast corner of said NW1/4 SE1/4; thence Northwesterly to the point of beginning, containing 20 acres, more or less.

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