

MTC-62722KR

Vol M04 Page 48481**Seller's Name and Address:**

Wilbur C. & Sharon Osterberg
 2764 Maia Loop
 Springfield, Oregon 97477

Buyer's Name and Address:

Sierra Cascade, LLC
 c/o Dana Van Pelt
 P.O. Box 166
 Chemult, OR 97731

After Recording Return to:

AmeriTitle
 300 Klamath Avenue, Klamath Falls, OR 97601

Until Change is Requested**Send Tax Statements to:**

Sierra Cascade, LLC
 P.O. Box 166
 Chemult, OR 97731

The true and actual
 consideration stated in this
 instrument is:

\$ 55,000.00.

LAND SALE CONTRACT

THIS CONTRACT is made and entered into effective the 26th day of August, 2003, by and between **WILBUR C. OSTERBERG and SHARON C. OSTERBERG, Husband and Wife**, hereinafter called "Seller", and **SIERRA CASCADE, LLC, an Oregon Limited Liability Company**, hereinafter called "Buyer" (it being understood that the singular shall include the plural if there are two or more sellers and/or buyers).

W I T N E S S E T H:

Seller agrees to sell to Buyer and Buyer agrees to buy from Seller for the price and on the terms and conditions set forth hereafter all of the real property and improvements, all situate in the County of Klamath, State of Oregon, and more particularly described on Exhibit A, attached hereto and incorporated herein by reference as if fully set forth herein;

SUBJECT TO contracts and/or liens for irrigation and/or drainage, restrictions, easements, restrictions and rights-of-way of records, and those apparent on the land.

ALSO SUBJECT TO rights of the public in and to any portion of the herein described property lying within the boundaries of roads or highways.

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

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

It is mutually agreed as follows:

1. **Possession:** Buyer shall be entitled to possession of the property pursuant to this agreement as of the 26th day of August, 2003.

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. **Purchase Price and Payments:** The purchase price for the interest conveyed is the sum of **Fifty Five Thousand Dollars (\$ 55,000.00)** which such sum shall be payable as follows:

a. Buyer shall pay an initial "Down Payment" in cash at closing in the sum of **Two Thousand Five Hundred and no hundredths Dollars (\$2,500.00);** and

b. Buyer shall pay an additional portion of the initial "Down Payment in the sum of **Two Thousand Five Hundred and no hundredths Dollars (2,500.00)** on or before the 12th day of July, 2004: and

c. the remaining balance of **Fifty Thousand Dollars (\$50,000.00)** shall be payable in monthly installments in the sum of **Seven Hundred Fifty Four and sixty three Hundredths Dollars (\$ 754.63)** per month including interest from August 26, 2003 at the rate of Seven percent (7.0%) per annum on the unpaid balance; the first of such payments shall be payable on the ___ day of May, 2004, with a further and like installment payable on the same day of each and every month thereafter until the full amount of principal and interest shall have been paid in full. Buyer may make advance or excess payments without penalty, and if so made, such payments shall be applied toward account interest, and the remainder will be applied toward the principal balance. No partial prepayment shall excuse the payment of installments next coming due.

4. **Late Payment Penalty:** In addition to any other remedy afforded Seller herein, Seller shall be entitled to receive payment in the amount of **Thirty Seven and seventy three Hundredths Dollars (\$37.73)**, (Five percent of the monthly payment due) in addition to the regularly scheduled payments set forth herein as and for a late payment penalty, should Buyer fail to make any payment required to be made hereunder within fifteen (15) days of the day due. Seller shall be required to notify both Buyer and the escrow agent named herein (or its successor) of the accrual of such late payment charge, which such charge shall be credited only as an additional charge to Buyer and not as a credit to either interest or principal.

5. **Payment of Liens and Taxes:** Buyer shall pay promptly all indebtedness incurred by Buyer's 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; provided, all such taxes, assessments and charges for the current year shall be prorated as of the effective date hereof (August 26, 2003), and in the event Buyer shall fail to so pay, when due, any such matters or amounts required by Buyer to be paid hereunder, or to procure and pay seasonably for insurance, Seller may pay any or all such amounts and any such payment shall be added to the purchase price of said property on the date such payments are made by Seller without waiver, however, of any right arising to Seller for Buyer's breach of contract, and, in such event or events, the escrow holder is hereby directed and authorized to so add such amounts to the contract balance upon being tendered a proper receipt therefor.

6. Insurance: It is agreed that Buyer will keep any building or improvements on said property insured against loss or damage by fire or other casualty in an amount of not less than the full insurable value thereof with loss payable to 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.

7. Waste Prohibited: Buyer agrees that all improvements now located or which shall hereafter be placed on the property, shall remain a part of the real property and if the same are of value to the property, shall not be removed at any time prior to the expiration of this agreement without 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.

8. Transfer of Title: Seller shall, upon the execution hereof, make and execute in favor of Buyer a good and sufficient deed in statutory Special Warranty form conveying said property free and clear of all liens and encumbrances, except as provided hereinabove and shall place said documents, together with one of these agreements, in escrow at AmeriTitle, 222 South Sixth Street, Klamath Falls, Oregon, and shall enter into written escrow instructions in a form satisfactory to said escrow holder and the parties hereto, instructing 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 to Buyer, but in case of default by Buyer said escrow holder shall, on demand, surrender said documents to Seller.

9. Property Taken "As Is": Buyer certifies that this contract of purchase is accepted and executed on the basis of

Buyer's own examination and personal knowledge of the premises and opinion of the value thereof, together with Buyer's possession of the property from and after the effective date of August 26, 2003; that Buyer has made a personal inspection of the property so as to determine its acceptability, that no attempt has been made to influence Buyer's judgment; that no representations as to the condition or repair of said premises have been made by Seller or by an agent of Seller; and that Buyer takes said property and the improvements thereon in the condition existing at the time of this agreement, with no express, implied, or other warranties by Seller.

10. **Consent to Assignment:** Buyer shall not assign this agreement, Buyer's rights thereunder, or in the property covered thereby without the written consent of Seller. In the event the within described property, any part thereof, any interest therein (whether legal or equitable) is sold, agreed to be sold, conveyed, assigned or alienated by the Buyer without having first obtained the written consent of the Seller, then, at the Seller's option, all obligations secured by this instrument, irrespective of the maturity date expressed herein, shall become immediately due and payable.

11. **Time of Essence:** It is understood and agreed between the parties that time is of the essence of this contract.

12. **Environmental Matters:** Seller represents that Seller is not aware of the existence on the property of any underground storage tanks (UST's) **currently** used for the storage of petroleum products; however, in view of the use made of the premises by Purchaser as a tenant, all parties are aware that there is the possibility that hazardous materials or toxic wastes may have come to be present on the property which is the subject of this agreement. Purchaser shall indemnify Seller from any claims arising from the presence of such hazardous materials or toxic wastes, if any, on the premises.

13. **Default:** In case Buyer shall fail to make the payments aforesaid, or make 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 Seller, shall, at Seller's option, have the following rights, in addition to other remedies provided under Oregon law:

a. To declare this contract null and void, after giving such notice as is then required by Oregon Revised Statutes; and/or

b. To declare the whole unpaid principal balance of said purchase price with the interest thereon at once due and payable; and/or

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 Buyer as against Seller hereunder shall utterly cease and determine, and the right to the possession of the premises above described and all other rights acquired by Buyer hereunder shall revert to and revest in 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 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. Seller, in case of such default, shall have the right immediately, or any time thereafter, to enter upon the land aforesaid, without any process of law, 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.

14. 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 Seller's security interest herein, and in the event possession is so taken by Seller, Seller shall not be deemed to have waived Seller's right to exercise any of the foregoing rights.

15. Attorney Fees: In the event suit or action is instituted to enforce any of the terms of this contract, the prevailing 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.

16. No Waiver: Buyer further agrees that failure by Seller at any time to require performance by Buyer of any provision thereof 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.

17. Binding on Successors: This agreement shall bind and inure to the benefit of, as the circumstances may require, the parties hereto and their respective heirs, executors, administrators, successors and assigns, subject to the foregoing.

18. **Inclusion of Personal Property:** It is agreed between Buyer and Seller that any fixtures on the premises conveyed with this agreement are conveyed "AS IS WITH ALL FAULTS."

19. **Representation By Attorney:** The parties hereto acknowledge that this contract was prepared by NEAL G. BUCHANAN, Attorney at Law, 435 Oak Avenue, Klamath Falls, Oregon 97601, solely on behalf of the Seller / Vendor and that said attorney in no way represents the Buyer / Vendee who have been advised to seek the advice of their independent counsel and tax advisor. Further, as NEAL G. BUCHANAN formerly represented Janie Erkiaga in her capacity as the sole member of purchaser (and Neal G. Buchanan, pursuant to such representation was designated as Registered Agent for Purchaser) all parties hereto acknowledge that the said Neal G. Buchanan has not represented and does not now represent Sierra Cascade, LLC nor Dana Van Pelt and do hereby waive any and all claims or assertions of conflict of interest, confidential communication, appearance of impropriety, or any or all other ethical issues relating to the involvement of Neal G. Buchanan in the transaction of which this Contract is a part.

IN WITNESS WHEREOF the parties have caused this agreement to be executed as of the day and year first above written.

SELLER:

Wilbur C. Osterberg
Sharon C. Osterberg

BUYER:

SIERRA CASCADE, LLC

by [Signature]

STATE OF OREGON, County of Klamath) ss.

PERSONALLY APPEARED the above-named DANA VAN PELT as MANAGING MEMBER of Sierra Cascade, LLC, an Oregon Limited Liability Company, and acknowledged the foregoing instrument to be the voluntary act and deed of such entity.

Before me this 20 day of APRIL, 2004.



Karen A. Baker
 NOTARY PUBLIC FOR OREGON

STATE OF OREGON, County of Klamath) ss.

PERSONALLY APPEARED the above-named Wilbur C. Osterberg and Sharon C. Osterberg, Husband and Wife and acknowledged the foregoing instrument to be his / her voluntary act and deed.

Before me this 20th day of July, 2004.



Anna Mae Miglioretto
 NOTARY PUBLIC FOR OREGON

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 1

Beginning at a point on the Westerly right of way line of the Dalles-California Highway, which lies South 19 degrees 24' East, a distance of 1005 feet from the iron axle which marks the Southeast corner of Lot 1, Block 7, Chemult, Oregon and running thence continuing South 19 degrees 24' East along the Westerly right of way line of the Dalles-California Highway a distance of 90 feet and along the arc of a 2 degrees 56' curve to the left a distance of 10 feet; thence 70 degrees 36' West a distance of 300 feet to an iron pin; thence North 19 degrees 24' West a distance of 100 feet to an iron pin; thence North 70 degrees 36' East a distance of 300 feet, more or less to the point of beginning, in the SW 1/4 SW 1/4 of Section 21, Township 27 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 2

Beginning at a point on the Westerly right of way line of the Dalles-California Highway which lies South 19 degrees 24' East a distance of 1095 feet and along the arc of 2 degrees 56' curve to the left a distance of 10 feet from the iron axle which marks the Southeast corner of Lot 1, Block 7, Chemult, Oregon and running thence; continuing Southeasterly along the arc of a 2 degrees 56' curve to the left a distance of 100 feet; to a point; thence South 70 degrees 36' West a distance of 303.1 feet to an iron pin; thence North 19 degrees 24' West a distance of 100 feet to an iron pin; thence North 70 degrees 36' East a distance of 300 feet, more or less, to the point of beginning, in the SW 1/4 SW 1/4 of Section 21, Township 27 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 3

Beginning at a point on the Westerly right of way line of the Dalles-California Highway which lies South 19 degrees 24' East a distance of 1095 feet and along the arc of a 2 degrees 56' curve to the left a distance of 110 feet from the iron axle which marks the Southeast corner of Lot 1, Block 7, Chemult, Oregon, and running thence, continuing Southeasterly along the arc of a 2 degrees 56' curve to the left a distance of 190.2 feet to an iron pin on the Westerly right of way line of the Dalles-California Highway on the South section line of Section 21, Township 27 South, Range 8 East of the Willamette Meridian; thence South 89 degrees 12' West along the Section line a distance of 340.9 feet to an iron pin which lies North 89 degrees 12' East along the Section line a distance of 764.5 feet from the Southeast corner of said Section 21; thence North 19 degrees 24' West a distance of 81.1 feet to an iron pin; thence North 70 degrees 36' East a distance of 303.1 feet, more or less to the point of beginning, in the SW 1/4 SW 1/4 of Section 21, Township 27 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

(Legal description continued)

SAVING AND EXCEPTING from the above described parcels that portion thereof conveyed to the State of Oregon, by and through its State Highway Commission by Deed recorded June 22, 1954 in Volume 267 of Deeds, page 446, Records of Klamath County, Oregon.

EXCEPTING THEREFROM that portion deeded to the State of Oregon in Recorded April 18, 2001 Volume:M01, page 16930, Microfilm Records of Klamath County, Oregon

Tax Account No.: 2708-021CC-00900-000

Key No.: 168829