

2007-000021

Klamath County, Oregon



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Fee: \$56.00

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RECORDING COVER SHEET

THIS COVER SHEET HAS BEEN PREPARED BY THE PERSON PRESENTING THE ATTACHED INSTRUMENT FOR RECORDING. ANY ERRORS IN THIS COVER SHEET DO NOT AFFECT THE TRANSACTION(S) CONTAINED IN THE INSTRUMENT ITSELF.

After Recording Return To:

Justin E. Thorne, Attorney at Law
280 Main St.
Klamath Falls, OR 97601

1. Name(s) of the Transaction(s):

LIFE TENANCY AGREEMENT

2. Direct Party (Grantor):

Rodney O. Detrick and Donna L. Detrick

3. Indirect Party (Grantee):

Randall L. Turner and Bonnie Sue Turner

4. True and Actual Consideration Paid:

\$1.00

5. Legal Description:

See attached

50-

Life Tenancy Agreement

THIS AGREEMENT, the effective date of which is the 28th day of Dec., 2006, by and between RODNEY O. DETRICK and DONNA L. DETRICK, husband and wife, hereinafter called "Life Tenants," and RANDALL L. TURNER and BONNIE SUE TURNER, husband and wife, hereinafter called "Fee Simple Holders."

RECITALS:

- The parties have entered into an agreement where Life Tenants are selling to Fee Simple Holders certain real property as described in Exhibit "A" attached hereto.
- Pursuant to the terms of said Sale Agreement, Life Tenants are retaining rights of possession subject to the terms and conditions of this Life Tenancy Agreement.
- The portion of the real property that Life Tenants are retaining rights of possession to is described as approximately a one-half acre area on which is located the house, where they presently reside, and a shed that is used to park vehicles, that is within the property described in the attached Exhibit "A".
- It is intended that the terms of this agreement shall survive closing of the Sale Agreement and be valid for the life of Life Tenants or upon earlier termination, if any.
- In addition to the rights retained herein, Life Tenants retain certain other ownership rights in the real property, and the parties continue to pursue Measure 37 procedures as mentioned below.

CONSIDERATION:

The true and actual consideration for this agreement is \$1.00 and other valuable consideration, the receipt of which is hereby acknowledged by the parties.

TERMS AND CONDITIONS:

- I. Life Tenants shall be entitled to retain and maintain exclusive possession of the subject property and exercise control of the property with the same rights and duties of a life tenant according to the laws of the state of Oregon and as further defined, limited and expanded herein.

- II. 1.) Life Tenants shall maintain hazard and liability insurance in amounts and kind and with carriers as reasonably required by Fee Simple Holders, and in any event, such policy shall insure the house and shed for replacement value. Such policy or policies shall name Fee Simple Holders as additional insured. Unless otherwise agreed by the parties, any insurance settlement shall apply first to the replacement of the property or settling claims against the parties, and the remainder, if any, to costs of the parties associated with such settlement, and then to Life Tenants.
- 2.) In the event that a structure is damaged, where such damage exceeds 50% of the replacement costs of the structure, then Fee Simple Holders may elect that such structure shall not be repaired or replaced and Fee Simple Holders shall retain the proceeds of the insurance settlement (less insurance proceeds designated to reimburse Life Tenant for personal property loss) and pay for the demolition and removal of such damaged structure. If there is a dispute as to the extent of damage or how this provision shall apply, then such items shall be determined by arbitration as set forth below. In the event that such removed structure is the residence of Life Tenants, Life Tenant may locate on the premises, at sole cost to Life Tenant, a mobile home or removable manufactured home, which shall remain the sole property of Life Tenant and must be removed and the site restored by Life Tenant upon termination of the Tenancy created herein.
- III. Fee Simple Holders shall pay water assessments, real property taxes, personal property taxes, and other governmental assessments together with all fees associated with the subject property.
- IV. Life Tenants shall neither commit nor permit waste of said premises. Life Tenants shall maintain the property in as good condition as the property is presently, reasonable wear and tear excepted. Life Tenants shall keep the premises in neat and clean appearance, free of any fire hazards and free of toxic substances. Life Tenants shall not alter construction of any structure or improvement, nor shall Life Tenant construct any new improvements without the advance written consent of Fee Simple Holders.

V. Fee Simple Holders reserve the right to go on said property at any reasonable time during the term of this Contract for the purpose of inspecting and protecting the same; however such right of entry shall not interfere with rental obligations which may be in place for portion or all of the premises, if any. Prior to such entry, Fee Simple Holders shall give 24-hour advance written notice of such intent to so enter the property. The advance notice is waived in the event an emergency renders it impractical to give such notice.

VI. The Life Tenancy shall be terminated upon any one of the following events:

- 1.) Life Tenants abandon the property; or
- 2.) Both Life Tenants are deceased; or
- 3.) Life Tenants deliver to Fee Simple Holders written notice of termination of the Life Tenancy.

For purposes of this provision, abandonment of the property shall include the failure of Life Tenants to personally occupy the premises for a period of 90 consecutive days. Abandonment shall also include the failure of Life Tenants to maintain the premises so that the property appears to a reasonable person to be abandoned.

VII. It is agreed that Life Tenants rights herein are personal to Life Tenants and may not be assigned or otherwise transferred to third parties. Upon termination of the Life Tenancy, the parties shall cooperate in clearing the record of the interests of Life Tenants.

VIII. The parties further agree that failure by Fee Simple Owners at any time to require performance by the Life Tenants of any provision hereof shall in no way affect Fee Simple Owners' rights hereunder to enforce such performance nor shall any waiver by Fee Simple Owners of any breach of any provision hereof be held to be a waiver of any succeeding breach or as a waiver of the provision itself.

IX. It is understood that the real property is subject to what is known as Measure 37 claims, which procedures are pursuant to Oregon law contained in Oregon Revised Statutes, Chapter 197. The parties have initiated such procedures and Life Tenants

agree to continue to cooperate, assist and take action in relation to any such Measure 37 claim procedures which Fee Simple Holders shall choose, at no direct expense to Life Tenants. In addition, in the event that such claim or claims are successful, or in the event that settlement of such a claim allows for the partition of the subject real property, then:

- 1.) The real property which is subject to this Life Tenancy Agreement shall be limited to real property which includes the residence and out-buildings; and
- 2.) Life Tenants shall not be entitled to possession, nor be responsible for duties associated with the remainder of the real property, including taxes, assessments and other obligations associated with the remainder of the real property; and
- 3.) Life Tenants shall continue to be responsible for the duties and obligations associated with the Residence and other real property retained subject to this Life Tenancy Agreement; and
- 4.) The parties shall cooperate in clearing the record regarding such released property, including signing documents to reflect such change, if any; and
- 5.) Any dispute as regards which portion of the real property shall remain subject to this agreement and which property shall be released shall be resolved by arbitration as herein set forth. The Arbitrator shall consider that the intent of the parties was for Life Tenant to retain possession of the residence and immediate grounds, reasonable under all circumstances, including the consideration of land use planning restrictions and success of Measure 37 procedures.

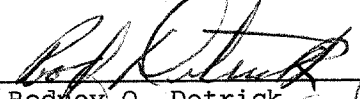
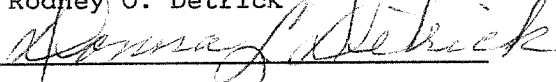
- X. It is agreed that in the event disputes arise as to any provision herein or other matters relating to this agreement require resolution, then the parties shall resolve the matter by voluntary agreement and if the parties are unable to so resolve such matter, then the parties shall agree on a professional arbitrator, or professional arbitration service, to resolve such dispute. In the event that the parties fail to agree on such arbitrator, then either party may apply to Klamath County Circuit Court for the appointment of such arbitrator. All costs of arbitration shall be borne by the parties equally. The Arbitrator may award the prevailing party costs associated with resolving the matter or

dispute, including attorney fees. Such an arbitration award may be enforced in any court of competent jurisdiction.


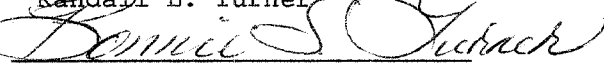
- XI. It is understood that this agreement has been prepared by Justin Throne, as attorney for Fee Simple Holders. Life Tenants acknowledge that they have been advised to obtain, and have had opportunity to consult with, separate counsel prior to signing this agreement. Both parties further acknowledge that they may have received advice or assistance from Justin Throne on certain matters, and both parties hereby waive possible conflicts of interests, if any, that may exist by reason of such contact with Justin Throne. The provisions of this agreement shall not be construed for or against any party by reason of such representation and preparation of this Life Tenancy Agreement.
- XII. This agreement shall be binding on the parties hereto and upon their successors, assigns and personal representatives; however, rights of possession herein are personal to Life Tenants, and such successor third parties may not succeed thereto.

In witness hereof we have hereunto set our hands:

Life Tenants:

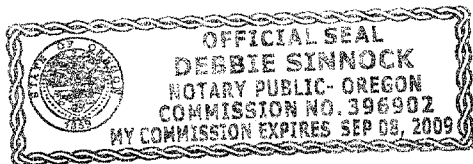

Rodney O. Detrick

Donna L. Detrick

Fee Simple Holders:


Randall L. Turner

Bonnie Sue Turner

STATE OF OREGON]
County of Klamath.] ss.

The foregoing instrument was acknowledged before me this 28th day of Dec., 2006, by RODNEY O. DETRICK and DONNA L. DETRICK.



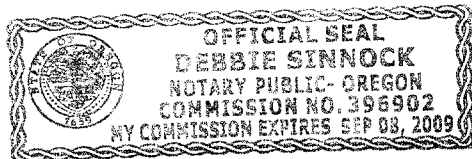
Алексей Денко

Notary Public for Oregon

My Commission expires: *9-8-09*

STATE OF OREGON] ss.
County of Klamath.]

The foregoing instrument was acknowledged before me this 28th day of Dec, 2006, by RANDALL L. TURNER and BONNIE SUE TURNER.



Meahur Sinnock

Notary Public for Oregon

My Commission expires: 9-8-09

EXHIBIT "A"
LEGAL DESCRIPTION

The SE1/4 and S1/2 of NE1/4 of Section 3, Township 41 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon:

EXCEPTING THEREFROM that portion conveyed to Louie M. Lyon, et ux, by deed recorded in Volume 328, page 62, Deed Records of Klamath County, Oregon, described as follows:

Commencing at the NE corner of the SE1/4 of the NE1/4 of Section 3, Township 41 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon; thence South along the East line of said section a distance of 1305 feet; thence West parallel with the North line of said quarter section a distance of 425 feet; thence North parallel with the East line of said Section a distance of 1305 feet; thence along the North line of said quarter section a distance of 425 feet to the point of beginning;

AND ALSO EXCEPT the following parcel:

Beginning at a 5/8 inch iron pin at the intersection of the county roads marking the East 1/4 corner of Section 10, Township 41 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon; thence North 00° 02' 50" East 2643.30 feet to the intersection of the county road from the South and East marking the Southeast corner of said Section 3; thence North 07° 40' 53" West 871.59 feet to a point on the Westerly right-of-way line of the U.S.B.R. D-13 Lateral marking the true point of beginning of this description; thence North 02° 52' 10" East along the Westerly right-of-way line of said lateral 290.40 feet; thence North 87° 07' 50" West perpendicular to said right-of-way line 150.00 feet; thence South 02° 52' 10" West parallel to the said right-of-way line 290.40 feet; thence South 87° 07' 50" East 150.00 feet to the true point of beginning.

AND ALSO EXCEPTING THEREFROM a triangular piece of land in the E1/2 SE1/4 of said Section 3 and more particularly described as follows:

Beginning at the Northeast corner of the SE1/4 of Section 3; thence South on the section line between Sections 2 and 3 to the Southeast corner of Section 3; thence West 125 feet; thence Northeasterly to the place of beginning.

AND EXCEPTING THEREFROM those portions thereof in ADAMS POINT ROAD and the USBR "D" Canal.