

Darrol and K.H. Rice, Trustees

7241 24th Street

Rio Linda, CA 95673

Seller's Name and Address

Kristine Ann Baird

P.O. Box 775

Chiloquin, OR 97624

Buyer's Name and Address

After recording, return to (Name, Address, Zip):

Darrol and K.H. Rice, Trustees

7241 24th Street

Rio Linda, CA 95673

Until requested otherwise, send all tax statements to (Name, Address, Zip):

Darrol and K.H. Rice, Trustees

7241 24th Street

Rio Linda, CA 95673

2010-011821

Klamath County, Oregon



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10/06/2010 03:04:06 PM

Fee: \$97.00

SPACE RESERVED
FOR
RECORDER'S USE

Courtesy

CONTRACT FOR DEED

THIS CONTRACT FOR DEED is made entered into this 1st day of October, 2010 by and between Darrol Rice and K.H. Rice as Trustees for the Darrol and K.H. Rice Revocable Trust Dated June 24, 2008, hereinafter referred to as "SELLER", whether one or more, and Kristine Ann Baird, hereinafter referred to as "PURCHASER", whether one or more, on the terms and conditions and for the purposes hereinafter set forth:

WITNESSETH, that if the Buyer shall first make the payments and perform the covenants hereinafter mentioned on his part to be made and performed, the seller hereby covenants and agrees to convey to the Purchaser, his heirs, executors, administrators, personal representatives, or assigns, in fee simple absolute, clear of all encumbrances by a good and sufficient warranty deed or equivalent deed, that Property situated in the County of Klamath, State of Oregon, more fully described on Exhibit "A", attached hereto and made a part hereof.

The Buyer covenants and agrees to pay to the Seller (stated in terms of dollars) \$67,300.00 as the purchase price for the Property with zero (0) down payment.

The sale of the Property (and the term "Property") shall include all buildings and improvements on the property and all rights of ownership associated with the property, including, but not limited to all easement and rights benefiting the premises, whether or not such easements and rights are of record, including all fixtures and personal property associated with the property (unless specifically excluded below).

SUBJECT TO all recorded easements, rights-of-way, conditions, encumbrances and limitations and to all applicable building and use restrictions, zoning laws and ordinances, if any, affecting the

property.

1.

PURCHASE PRICE AND TERMS

The purchase price of the property shall be Sixty Seven Thousand Three Hundred Dollars, (\$67,300.00) being due and payable as follows:

(a) A Collections Escrow Account shall be set up with First American Title Insurance Co. in Klamath Falls, OR and Purchaser shall pay for all costs associated with said account. This Collection Escrow Account will receive the monthly installment payment [see (b) below] for the property plus the monthly portions for taxes and insurance. The Title Co. will pay taxes and Insurance once per year at due date of each. The exact total amount per month will be determined when account is set up and monthly payment may vary only with regard to any increase cost of taxes and/or insurance each year.

(b) Purchase Price Balance payable, together with interest on the whole sum that shall be from time to time unpaid at the rate of 7.5 %, per annum, payable in the amount of \$542.16 dollars per month beginning on the 1st day of November, 2010 and continuing on the same day of each month thereafter until fully paid.

Interest shall be computed monthly and deducted from payment and the balance of payment shall be applied on principal.

2.

TIME OF THE ESSENCE

Time is of the essence in the performance of each and every term and provision in this agreement by Purchaser.

3.

SECURITY

This Contract shall stand as security for the performance of Buyer and as security of the payment of the obligation of Buyer under this Contract.

4.

MAINTENANCE OF IMPROVEMENTS

All improvements on the property, including, but not limited to, buildings, trees or other improvements now on the premises, or hereafter made or placed thereon, shall be a part of the security for the performance of this contract and shall not be removed there from. Purchaser shall not commit, or suffer any other person to commit, any waste or damage to said premises or the appurtenances and shall keep the premises and all improvements in as good condition as they are now. In case of the refusal, neglect or inability of the Purchaser to repair and maintain said Property, the Seller may, at the Seller's option invoke Default as provided by this Contract.

5.

CONDITION OF IMPROVEMENTS

Purchaser agrees that the Seller has not made, nor makes any representations or warranties as to the condition of the premises, the condition of the buildings, appurtenances and fixtures located thereon, and/or the location of the boundaries. Purchaser accepts the property in its "as-is" condition without warranty of any kind.

6.

POSSESSION OF PROPERTY

Purchaser shall take possession of the property and all improvements thereon upon execution of this contract and shall continue in the peaceful enjoyment of the property so long as all payments due under the terms of this contract are timely made. Purchaser agrees to keep the property in a good state of repair and in the event of termination of this contract, Purchaser agrees to return the property to Seller in substantially the same condition as it now exists, ordinary wear and tear excepted. Seller reserves the right to inspect the property at any time with notice to Purchaser.

7.

TAXES, INSURANCE AND ASSESSMENTS

TAXES AND ASSESSMENTS: During the term of this contract Purchaser shall pay all taxes and assessments levied against the property.

CONTENT INSURANCE: Purchaser shall be solely responsible for obtaining insurance of the contents, insuring contents owned by Purchaser. Seller shall be solely

responsible for obtaining insurance on all contents owned by Seller.

LIABILITY AND HAZARD INSURANCE: Liability insurance shall be maintained by Purchaser during the term of this contract naming Seller as an additional insured, in the amount of not less than \$100,000.00 and re-evaluated yearly to reflect, if needed, an increase in coverage. Should the Purchaser fail to pay any tax or assessment, or installment thereof, when due, or keep said buildings insured, Seller may at Seller's option invoke Default as provided by this Contract.

RISK OF LOSS AND INSURANCE: Risk of loss by negligence, fire or other casualty is on the Purchaser. The Purchaser agrees to keep the Property insured, by at least content, liability, fire, casualty, hazard, and windstorm, insurance, with an insurance company satisfactory to the Seller for a sum not less than its full insurable value. All insurance proceeds shall be payable to the Seller. In the event of a loss by fire or other casualty, the rights and obligations of the parties shall be as follows:

a. If the damage to the Property and/or building(s) is less than fifty (50%) percent of the total value of the improvements, the Purchaser shall be obligated to repair or reconstruct, as the case may be, and the Seller shall either turn over the insurance proceeds to the Purchaser or apply the proceeds directly to the costs of such repair or reconstruction, the Purchaser being entitled to any surplus insurance funds over and above the costs of repair or reconstruction, and the Purchaser being liable for any deficiency after application of the insurance money to such costs.

b. If the damage to the Property and/ or building(s) is in excess of fifty (50%) percent of the total value of the improvements, the Purchaser shall have the option as to whether to repair or reconstruct following such casualty loss.

(1) If the Purchaser elects not to repair or reconstruct, then the unpaid balance of the purchase price, together with accrued interest to date, but excluding unearned interest, shall at the option of the Seller become due

and payable forthwith, and the insurance proceeds shall be applied towards the application of such sum, any surplus of the insurance proceeds over and above the Purchaser's obligations shall be paid to the Purchaser. In the event that the contract is paid out as a result of the application of the insurance proceeds, the Seller shall deliver a deed to the Purchaser and consummate the transaction. In the event the contract is not paid out as a result of the application of the insurance process pursuant to an election not to repair or reconstruct after casualty, the proceeds shall be credited to the account of the Purchaser and the Purchaser will continue to make regular payments pursuant to the terms of the contract until the Purchaser's obligations are satisfied and the contract consummated.

(2) If the Purchaser elects to repair or reconstruct, the insurance proceeds shall be applied by the Seller to the costs of such repair or reconstruction, the Purchaser shall submit the building plans to the Seller for approval, which approval shall be granted if the value of the land after the repair or reconstruction will equal or exceed the value of the land immediately prior to the casualty. If requested by the Purchaser, the Seller will, after approval of the Purchaser's building plans, turn over the insurance proceeds to an insurance trustee for the purpose of paying for the repairs or reconstruction. Any surplus of insurance proceeds over and above the costs of repair or reconstruction shall be delivered to the Purchaser, and any deficiency remaining after application of such proceeds to the costs of repair or reconstruction shall be paid by the Purchaser.

8.

DEFAULT BY PURCHASER

If the Purchaser shall fail to perform any of the covenants or conditions contained in this contract on or before the date on which the performance is required, the Seller shall give Purchaser notice of default or performance, stating the Purchaser is allowed fourteen (14) days from the date of the Notice to cure the default or performance. In the event the default or failure of performance is not cured within the 14 day time period, then Seller shall have any of the following remedies, in the discretion of Seller:

- (a) give the Purchaser a written notice specifying the failure to cure the default and informing the Purchaser 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 stand cancelled and Seller may regain possession of the property as provided herein; or
- (b) give the Purchaser a written notice specifying the failure to cure the default and informing the Purchaser 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, the entire principal balance and unpaid interest shall be immediately due and payable and Seller may take appropriate action against Purchaser for collection of same according to the laws of the State of Oregon.

In the event of default in any of the terms and conditions or installments due and payable under the terms of this contract and Seller elects 9(a), Seller shall be entitled to immediate possession of the property.

In the event of default and termination of the contract by Seller, Purchaser shall forfeit any and all payments made under the terms of this contract including taxes and assessments as liquidated damages, Seller shall be entitled to recover such other damages as they may be due which are caused by the acts or negligence of Purchaser.

The parties expressly agree that in the event of default not cured by the Purchaser and termination of this agreement, and Purchaser fails to vacate the premises, Seller shall have the right to obtain possession by appropriate court action.

9.

DEFAULT BY SELLER

In case of the failure of the Seller to comply with the terms of this Contract or to perform any of the covenants hereby made and entered into, the Purchaser shall have the option to collect damages at law or to demand specific performance, costs and reasonable attorney's fees from the Seller.

10.

DEED AND EVIDENCE OF TITLE

Upon total payment of the purchase price and any and all late charges, and other amounts due Seller, Seller agrees to deliver to Purchaser a Warranty Deed to the subject property, at Seller's

expense, free and clear of any liens or encumbrances other than taxes and assessments for the current year which are Purchaser's responsibility.

11.

NOTICES

All notices required hereunder must be in writing and shall be deemed to have been made when deposited in the U. S. Mail, postage prepaid, certified, return receipt requested, to the Purchaser or Seller at the addresses listed below. All notices required hereunder may be sent to:

Seller:

Darrol and K.H. Rice

7241 24th Street

Rio Linda, CA 95673-1801

Purchaser:

Kristine Ann Baird

P.O. Box 775

Chiloquin, OR 97624

and when mailed, postage prepaid, to said address, shall be binding and conclusively presumed to be served upon said parties respectively.

12.

ASSIGNMENT OR SALE

Purchaser shall not sell, assign, transfer or convey any interest in the subject property or this agreement, without first securing the written consent of the Seller. In the event Seller gives Purchaser permission to transfer or convey Purchaser's interest, such conveyance shall not be a cause for rescission of this Contract and shall be subject to the terms of this Contract.

13.

PREPAYMENT

Purchaser to have the right to prepay, without penalty, the entire balance outstanding at any time, with notice. Such payment shall not include unearned interest.

14.

ATTORNEY FEES

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

15.

LATE PAYMENT CHARGES

If Purchaser shall fail to pay, within fifteen (15) days after due date, any installment due hereunder, Purchaser shall be required to pay an additional charge of \$60.00 (Sixty Dollars) with the late installment. Such charge shall be paid to the Collection Escrow Account at the time of payment of the past due installment.

16.

CONVEYANCE OR MORTGAGE BY SELLER

If the Seller's interest is now or hereafter encumbered by mortgage, the Seller covenants that Seller will meet the payments of principal and interest thereon as they mature and produce evidence thereof to the Purchaser upon demand. In the event the Seller shall default upon any such mortgage or land contract, the Purchaser shall have the right to do the acts or make the payments necessary to cure such default and shall be reimbursed for so doing by receiving, automatically, credit to this contract to apply on the payments due or to become due hereon.

The Seller reserves the right to convey, his or her interest in the above described land and such conveyance hereof shall not be a cause for rescission but such conveyance shall be subject to the terms of this agreement.

The Seller may, during the lifetime of this contract, place a mortgage on the premises above described, which shall be a lien on the premises, superior to the rights of the Purchaser herein, or may continue and renew any existing mortgage thereon, provided that the aggregate amount due on all outstanding mortgages shall not at any time be greater than the unpaid balance of the contract.

17.

ENTIRE AGREEMENT

This Agreement embodies and constitutes the entire understanding between the parties

with respect to the transactions contemplated herein. All prior or contemporaneous agreements, understandings, representations, oral or written, are merged into this Agreement.

18.

AMENDMENT – WAIVERS

This Agreement shall not be modified, or amended except by an instrument in writing signed by all parties.

No delay or failure on the part of any party hereto in exercising any right, power or privilege under this Agreement or under any other documents furnished in connection with or pursuant to this Agreement shall impair any such right, power or privilege or be construed as a waiver of any default or any acquiescence therein. No single or partial exercise of any such right, power or privilege shall preclude the further exercise of such right, power or privilege, or the exercise of any other right, power or privilege. No waiver shall be valid against any party hereto unless made in writing and signed by the party against whom enforcement of such waiver is sought and then only to the extent expressly specified therein.

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SEVERABILITY

If any one or more of the provisions contained in this Agreement shall be held illegal or unenforceable by a court, no other provisions shall be affected by this holding. The parties intend that in the event one or more provisions of this agreement are declared invalid or unenforceable, the remaining provisions shall remain enforceable and this agreement shall be interpreted by a Court in favor of survival of all remaining provisions.

20.

HEADINGS

Section headings contained in this Agreement are inserted for convenience of reference only, shall not be deemed to be a part of this Agreement for any purpose, and shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof.

21.

PRONOUNS

All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine,

neuter, singular, or plural, as the identity of the person or entity may require. corresponding neuter words or words of the feminine gender, (2) words in the singular shall mean and include the plural and vice versa, and (3) the word "may" gives sole discretion without any obligation to take any action.

22.

JOINT AND SEVERAL LIABILITY

All Purchasers, if more than one, covenants and agrees that their obligations and liability shall be joint and several.

23.

PURCHASER'S RIGHT TO REINSTATE AFTER ACCELERATION

If Purchaser defaults and the loan is accelerated, then Purchaser shall have the right of reinstatement as allowed under the laws of the State of Oregon, provided that Purchaser: (a) pays Lender all sums which then would be due under this agreement as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; and (c) pays all expenses incurred in enforcing this agreement, including, but not limited to, reasonable attorneys' fees, and other fees incurred for the purpose of protecting Seller's interest in the Property and rights under this agreement. Seller may require that Purchaser pay such reinstatement sums and expenses in one or more of the following forms, as selected by Seller: (a) cash, (b) money order, (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity or (d) Electronic Funds Transfer. Upon reinstatement by Purchaser, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred.

24.

HEIRS AND ASSIGNS

This contract shall be binding upon and to the benefit of the heirs, administrators, executors, and assigns of the parties hereto. However, nothing herein shall authorize a transfer in violation of paragraph (12).

25.

RECORDING

While this Contract may be recorded, the Seller may record a Notice of Termination of said Contract if the Purchaser defaults in the performance of the Purchase's obligations and responsibilities under this Contract under the laws of the State of Oregon.

26.

OTHER PROVISIONS

A. It is agreed between Seller and Purchaser to forgo a Title Search before closing, but if Purchaser desires, at any time, to have one performed it is agreed to be at Purchaser(s) cost.

B. Seller and Purchaser additionally agree that: any addition(s), construction, alteration(s) or remodeling of the building(s) on the property must be done according to all ordinances and codes of the city of Chiloquin and the County of Klamath, Oregon and the Seller must be notified in writing and give agreement of plan(s) before addition(s), construction, alteration(s) or remodeling is started. It is also agreed that a certified wood stove will be properly installed by Orley's Stoves & Spas of Klamath Falls, Oregon at Purchaser's expense. ^{JP} _{KMR} _{10/15}

WITNESS THE SIGNATURES of the Parties this the 5 day of October, 2010.

SELLER:

David Rice
K.H. Rice
Marlene Bennis 10/13

PURCHASER:

Marlene Bennis

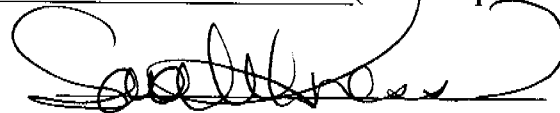
STATE OF OREGON

COUNTY OF

Klamath

This instrument was acknowledged before me on October 5, 2010 (date)
by Darrol and K.H. Rice (name of person(s)).

Notary Public



Printed Name:

Sarah Kness

My Commission expires:

10/16/2010



STATE OF OREGON

COUNTY OF

Klamath

This instrument was acknowledged before me on October 5, 2010 (date)
by Kristine Ann Baird (name of person(s)).

Notary Public



Printed Name:

Sarah Kness

My Commission expires:

10/16/2010



Seller(s) Name and Address		Buyer(s) Name and Address	
Name: Darrol Rice and K.H. Rice		Name: Kristine Ann Baird	
Address: 7241 24 th Street		Address: P.O. Box 775 (206 Lalakes Ave.)	
City: Rio Linda		City: Chiloquin	
State: CA	Zip: 95673-1801	State: OR	Zip: 97624
Phone: 916-991-7523 or 916-952-2614		Phone: 541-281-8930	

EXHIBIT "A"

Legal Description of Property:

All that portion of Lot 6, Section 34, Township 34 South, Range 7 East of the Willamette Meridian, described as follows:

Beginning at the intersection of the Westerly line of Lalakes Avenue with the Northerly line of Yahoooskin Street of the townsite of West Chiloquin; thence North 47° 12' West parallel to the County Road, 120 feet; thence North 30° 30' East parallel to Lalakes Avenue 62 feet; thence at right angles to Lalakes Avenue 117.2 feet to Lalakes Avenue; thence Southwesterly 88 feet to the point of beginning.

Also known as Lot 8 and S1/2 Lot 9 SPINKS SUBDIVISION, as disclosed by Ordinance recorded August 7, 1979, in Volume M79 page 18843, Deed Records of Klamath County, Oregon.

Beginning on the Westerly line of Lalakes Avenue which is North 30° 30' East 523 feet from the Northwest corner of Lalakes Avenue and Chocktoot Street extended; thence North 59° 30' West 117.2 feet; thence South 30° 30' West 75 feet; thence South 59° 30' East 117.2 feet more or less to the Westerly line of Lalakes Avenue; thence North 30° 30' East 75 feet to point of beginning being a portion in the NE1/4 SW1/4, Section 34, Township 34 South, Range 7 East of the Willamette Meridian. The above described land is a portion of West Chiloquin, Oregon.

Also known as Lot 10 and N1/2 Lot 9, SPINKS ADDITION.

Tax Account No: 3407-034CA-00500-000

Key No: 198324

Tax Account No: 3407-034CA-00600-000

Key No: 198342