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- CONTRACT OF SALE -

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THIS AGREEMENT, made this 10th day of January, 1974
between RICHARD J. SMITH, hereinafter called the Seller, and
and WAYNE M. COLE
EVERETT LEACH, hereinafter called the Buyer,

W I T N E S S E T H:

That in consideration of the stipulations herein contained
and the payments to be made as hereinafter specified, the Seller
hereby agrees to sell, and the Buyer agrees to purchase, the fol-
lowing described real property situate in the County of Klamath,
and State of Oregon, to-wit:

SW 1/4 of Section 21, Township 39 South, Range 9 East
of the Willamette Meridian; EXCEPTING those portions
deeded to the United States of America by deeds recorded
in Volume 28, page 245, and Volume 93, page 281; ALSO
EXCEPTING that portion deeded to William M. Gray and
Retha B. Gray by deed recorded in Volume 282, page 547,
all in Deed Records of Klamath County, Oregon.

SUBJECT TO: Acreage and use limitations under pro-
visions of the United States Statutes and regulations
issued thereunder. Liens and assessments of Klamath
Project and Klamath Irrigation District, and regulations,
contracts, easements, and water and irrigation rights
in connection therewith; rights of the public in and to
any portion of said premises lying within the limits
of public roads or highways; easement, including the
terms and provisions thereof, to the United States of
America, recorded April 10, 1906, in Deed Volume 19
at page 636, Records of Klamath County, Oregon; easement,
including the terms and provisions thereof, to the United
States of America, recorded May 1, 1908, in Deed Volume
24, at page 149, Records of Klamath County, Oregon;
Mortgage, including the terms and provisions thereof,
dated September 5, 1962, recorded September 14, 1962, in
Mortgage Volume 212 at page 604, given to secure the pay-
ment of \$21,000.00 with interest thereon and such future
advances as may be provided therein, executed by Wen-
dell G. Beyer and Alice F. Beyer, husband and wife, to
the Federal Land Bank of Spokane, a corporation, in the
present amount of \$18,963.52, with interest; and that
certain Contract of Purchase dated November 20, 1964,
between Wendell G. Beyer and Alice F. Beyer, sellers,
and Alex W. Chernabaeff and Ann Chernabaeff, buyers,
covering the property described above having a present
unpaid balance of \$16,895.86, which purchaser agrees to
pay, and contracts, water rights and assessments of
Klamath Basin Improvement District,

for the sum of ONE HUNDRED TWENTY THOUSAND AND 00/100 (\$120,000.00)
DOLLARS, on account of which TWENTY THOUSAND AND 00/100 (\$20,000.00)
DOLLARS is paid on the execution hereof, the receipt of which is
hereby acknowledged, and the remainder, the sum of ONE HUNDRED
1. CONTRACT OF SALE.

1 THOUSAND AND 00/100 (\$100,000.00) DOLLARS, to be paid by the
2 assumption of that certain Contract of Sale dated the 19th day of
3 May, 1971, by and between Alex W. Chernabaeff and Ann Chernabaeff,
4 husband and wife, as Vendor, and Richard J. Smith, as Purchaser.
5 The remaining balance, the difference between the downpayment and
6 the assumption of the contract balance of the Chernabaeff-Smith
7 Contract, shall be added onto the balance of that certain contract
8 of sale dated the 30th day of September, 1971, between Richard
9 J. Smith as Seller ^{and WAYNE M. COLE} and Everett Leach as Buyer. The deferred bal-
10 ance shall bear interest at the rate of 6-1/2 percent per annum
11 ^{from November 1, 1971} and payment of the \$16,000.00 in four quarterly payments as set
12 forth in said Smith-Leach Contract, shall be all the payment re-
13 quired of Leach until the whole sum of the money owing to Smith
14 on both contracts is paid in full.

15 Seller warrants and represents to the Buyer that he is
16 lawfully seized in fee simple of the above premises free from all
17 encumbrances.

18 Seller specifically warrants and covenants that Buyer
19 shall be entitled to peaceful and uninterrupted possession of the
20 above described premises so long as the Buyer complies with his
21 obligations under this contract.

22 It is understood and agreed between the parties hereto
23 that should there be any contracts, mortgages, liens, judgments,
24 or other encumbrances outstanding which Seller has entered into
25 or incurred during or prior to this contract, Buyer shall have the
26 right upon default by Seller in payment thereof to make such pay-
27 ments and to apply the payments as part payment on this contract.

28 It is agreed between the parties that all the taxes, if
29 any, shall be prorated as of the 30th day of November, 1971, save
30 and excepting water taxes for 1971-72, which shall be the responsi-
31 bility of purchaser.

32 It is further agreed that all the buildings now erected on
said premises will be kept insured by the Buyer in favor of the
2. CONTRACT OF SALE.



1 Seller against loss or damage by fire in an amount equal to the
2 full insurable value of the improvements located upon the afore-
3 mentioned premises in a company or companies satisfactory to the
4 Seller, and the Buyer will have all policies of insurance on the
5 said property made payable to the Seller as his interest may
6 appear; and the Buyer will deliver all policies of insurance on
7 said premises to the Seller as soon as insured.

8 The Buyer, in consideration of the premises, hereby agrees
9 that he will pay for all public and municipal liens which may
10 hereafter lawfully be imposed upon said premises, promptly and be-
11 fore the same or any part thereof becomes past due. In the event
12 the Buyer shall allow the taxes or other assessments upon the said
13 property to become delinquent or shall fail to remove any lien or
14 liens imposed upon said property, the Seller without obligation to
15 do so, shall have the right to pay the amount due and to add said
16 amount so paid to the principal remaining due under this contract,
17 to bear interest thereon at the rate provided herein.

18 All improvements placed on the premises shall remain and
19 shall not be removed before final payment is made for the said
20 above described premises.

21 It is agreed between the parties hereto that upon the execu-
22 tion hereof the Seller will furnish to the Purchaser a purchaser's
23 title insurance policy showing good and merchantable title in the
24 Seller as of the date of this contract.

25 In case the Buyer or his legal representatives or assigns
26 shall pay the several sums of money aforesaid punctually and at the
27 times above specified, and shall strictly and literally perform
28 all and singular the agreements and stipulations aforesaid, accor-
29 ding to the true intent and tenor thereof, then the Seller shall
30 give unto the Buyer, his heirs or assigns, upon request, at
31 Klamath County, Oregon, a good and sufficient warranty deed of con-
32 veyance, conveying said premises in fee simple, free and clear of
encumbrances as of the date of this contract.

3. CONTRACT OF SALE.

1 In the event that Buyer shall fail to perform any of the
2 terms of this agreement, time of payment and performance being of
3 the essence, Seller shall, at his option, subject to the require-
4 ments of notice as herein provided, have the following rights:

5 a) To foreclose this contract by strict foreclosure in
6 equity.

7 b) To declare the full unpaid balance of the purchase
8 price immediately due and payable.

9 c) To specifically enforce the terms of this agreement by
10 suit in equity.

11 d) To declare this agreement null and void as of the date
12 of the breach and to retain as liquidated damages the amount of
13 the payments having theretofore been made upon said premises.

14 Under this option all of the right, title and interest of the Buyer
15 shall revert to and revest in the Seller without any act of re-
16 entry or without any other act by Seller to be performed, and the
17 Buyer agrees to peaceably surrender the premises to the Seller,
18 or in default thereof Buyer may, at the option of the Seller, be
19 treated as a tenant holding over unlawfully after the expiration
20 of a lease and may be ousted and removed as such.

21 Purchaser shall not be deemed in default for failure to
22 perform any covenant or condition of this contract other than the
23 failure to make payments as provided for herein, until notice of
24 said default has been given by Seller to Buyer and Buyer shall
25 have failed to remedy said default within 15 days after the
26 giving of the notice. Notice for this purpose shall be deemed to
27 have been given by the deposit in the mails of a certified letter
28 containing said notice and addressed to Buyer at his address, to-wit:

29 210 Leach Dr., Midland, Texas.

30 In case suit or action is instituted to enforce any of the
31 provisions of this contract, the prevailing party shall be en-
32 titled to such sums as the Court may adjudge reasonable as attorney
fees in said suit or action, in addition to costs and disbursements

4. CONTRACT OF SALE:

1 provided by statute.

2 The Buyer further agrees that failure by the Seller at any
3 time to require performance by the Buyer of any provision that is
4 contained herein shall in no way affect the Seller's right here-
5 under to enforce the same, nor shall any waiver by said Seller of
6 the breach of any provision hereof be held to be a waiver of any
7 succeeding breach of any provision, or as a waiver of the pro-
8 vision itself.

9 Buyer shall have the privilege of prepaying the considera-
10 tions in whole or in part at any time provided, however, that no
11 prepayment shall be made prior to the 10th day of July,
12 1922.

13 Buyer certifies that this contract of purchase is accepted
14 and executed on the basis of his own examination and personal know-
15 ledge of the premises and opinion of the value thereof; that no
16 attempt has been made to influence his judgment; that no represen-
17 tations as to the condition or repair of said premises have been
18 made by the Seller or by any agent of the Seller; that no agree-
19 ment or promise to alter, repair, or improve the said premises has
20 been made by the Seller or by any agent of the Seller; and that
21 the Buyer takes the said property and the improvements thereon in
22 the condition existing at the time of this agreement.

23 It is understood and agreed by and between the parties
24 hereto, that this contract may be assigned to a corporation sub-
25 sequently organized by the purchaser or to others at the discretion
26 of the purchaser, provided, however, that in the event of assign-
27 ment to a corporation the individuals of the said corporation who
28 own common stock must at the time of the assignment assume personal
29 responsibility for the performance of the contract required of the
30 Buyer herein. This assumption and responsibility shall also be
31 made in the event of an assignment to individuals. These assump-
32 tions and responsibilities shall be in addition to and not as a
substitute for the performance required by the purchaser.

5. CONTRACT OF SALE.

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1 IN WITNESS WHEREOF, the said parties have hereunto set
2 their hands in duplicate the day and year first above written.
3

4 Everett L. Leach (SEAL)
5 Buyer

6 Wayne M. Cole (SEAL)
7 Buyer

8 Richard J. Smith (SEAL)
9 Seller

10 STATE OF OREGON)
11) ss.
12 County of Klamath)

November 30, 1971

13 Personally appeared the above named EVERETT L. LEACH,
14 WAYNE M. COLE and RICHARD J. SMITH and acknowledged the foregoing
15 instrument to be their voluntary act and deed.

16 Before Me:

17 Blair M. Burr
18 NOTARY PUBLIC FOR OREGON
19 My Commission Expires: 3/15/74
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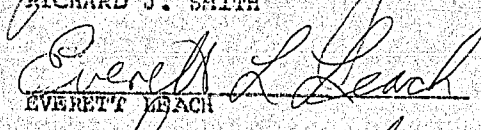
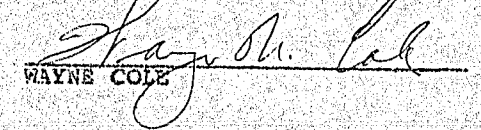
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A SUPPLEMENT TO CONTRACT OF SALE

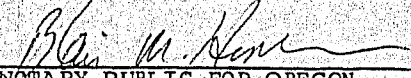
This supplemental agreement made this 11th day of April, 1972 by and between RICHARD J. SMITH, hereinafter called the seller, and EVERETT LEACH and WAYNE COLE, hereinafter called the buyers.

This Agreement being a supplement and amendment to the attached Contract of Sale, dated the 10th day of January, 1972 witnesseth that in consideration of the stipulations herein contained and the payments to be made as specified in the attached Contract of Sale, the seller hereby agrees that toward the annual payment set forth in the Contract of Sale, attached hereto, buyer may request and seller shall release the real property described in the Contract of Sale, attached hereto, upon the payment to seller the sum of \$750.00 per acre and the accumulation of said release request and payments shall apply to the payment of said annual payments.


RICHARD J. SMITH

EVERETT LEACH

WAYNE COLE

STATE OF OREGON)
) ss.
County of Klamath) November 30, 1971

Personally appeared the above named RICHARD J. SMITH, EVERETT L. LEACH and WAYNE M. COLE and acknowledged the foregoing instrument to be their voluntary act and deed.

Before Me: 
NOTARY PUBLIC FOR OREGON
My Commission Expires: 3/15/74

ADDENDUM

1
2
3 Contemporaneously herewith, the seller has executed a
4 good and sufficient warranty deed conveying the hereinafter de-
5 scribed real estate in fee simple unto the Buyers, their heirs and
6 assigns free and clear of encumbrances as of the date hereof,
7 excepting easements, restrictions and other encumbrances described
8 herein and has placed said deed together with an executed copy
9 of this contract, together with the title insurance policy mentioned
10 above, in escrow with _____
11 _____, escrow agent, with in-
12 structions to deliver said deed to the order of the Buyers, their
13 heirs and assigns upon the payment of the purchase price and full
14 compliance by the buyers with the terms of this agreement. The
15 Buyers agree to pay the balance of said purchase price and the
16 respective installments thereof, promptly at the times provided
17 therefore, to the said escrow agent for the use and benefit of
18 the Seller. The escrow fee of the escrow agent shall be paid by
19 the _____
20 _____; the collection charges of said agent
21 shall be paid by the _____.

RICHARD T. SMITH

Everett L Leach
EVERETT LEACH

Wayne Cole
WAYNE COLE

STATE OF OREGON, }
County of Klamath } ss.

Filed for record at request of:

BEDDOE HENDERSON & HAMILTON

on this 11th day of APRIL A. D., 1972

at 1:38 o'clock P. M. and duly

recorded in Vol. M. 72 of DEEDS

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WM. D. MILNE, County Clerk

Fee \$16.00 By *Wayne Cole* Deputy.

ADDENDUM

Beddoe Henderson & Hamilton
296 Main St.