

THIS CONTRACT OF SALE of real property made this 31 day of October, 1972, between ORRIN L. STUEMPGES and SHIRLEY A. STUEMPGES, husband and wife, hereinafter called "Vendor" and DONALD L. SLOAN and HAZEL I. SLOAN, husband and wife, hereinafter called "Purchaser":

W I T N E S S E T H:

Vendor agrees to sell to Purchaser and Purchaser hereby agrees to buy from Vendor, at the price and on the terms, covenants, conditions and provisions hereinafter contained, the following described real property situate in Klamath County, Oregon, to-wit:

Lot 3 in Block 2 HOMELAND TRACTS, Klamath County, Oregon:

SUBJECT TO: 1972-1973 taxes and assessments; regulations, including levies, assessments, water and irrigation rights and easements for ditches and canals, of Enterprise Irrigation District; regulations, including levies, liens, assessments, rights of way and easements of the South Suburban Sanitary District; and easements and rights of way of record and apparent thereon.

SPECIAL TERMS, COVENANTS, CONDITIONS AND PROVISIONS

The purchase price of the property, which Purchaser agrees to pay, is the sum of \$15,000.00, payable as follows:

(a) \$2,000.00 down payment, receipt of which is hereby acknowledged.

(b) \$13,000.00 deferred balance payable in installments of not less than \$1,000.00 on the first day of May and the first day of November of each year, commencing with the year 1973 and continuing until the full sum of principal and interest has been paid, the final installment to be only of the then unpaid principal and interest in the aggregate of less than \$1,000.00.

The deferred balance shall bear interest at the rate of seven (7%) percent per annum from the date of this contract on declining balances thereof. All installments shall be inclusive of interest accrued to the date such installment is received by the Escrow Holder.

All installments to Vendor by Purchaser shall be paid without demand to the Escrow Holder hereinafter named and shall be applied first to interest due at the time of payment of any such installment and then to principal.

All partial payments, increased installments or prepayments shall also be applied first to interest accrued to the date thereof, and then to principal.

1 Purchaser may increase any installment or prepay all or any part
2 of the whole consideration at any time. No partial payment nor increased
3 installment, nor payment for a partial release by reason of a condemna-
4 tion, shall be credited in lieu of any regular future installment nor
5 excuse Purchaser from making the regular installments specified in
6 this contract.

7 GENERAL TERMS, COVENANTS, CONDITIONS AND PROVISIONS

8 The real property above described, hereby sold to Purchaser includes,
9 all and singular, the tenements, hereditaments, rights, easements,
10 privileges and appurtenances thereunto belonging, or in anywise apper-
11 taining, improvements thereon, together with the reversions, remainders,
12 rents, issues and profits thereof. The Vendor's lien created by this
13 agreement shall and does hereby include the real property above des-
14 cribed, together with, all and singular, the tenements, hereditaments,
15 rights, easements, privileges and appurtenances thereunto belonging,
16 or in anywise appertaining, and all improvements above described, or
17 hereafter thereon, including but not limited to, the reversions, re-
18 mainders, rents, issues and profits thereof. In addition, Purchaser
19 hereby agrees that the Vendor's lien is superior to any and all rights
20 of Purchaser under and by virtue of any homestead, stay or exemption
21 laws now in force, or which may hereafter become laws.

22 Vendor hereby warrants that he has good and merchantable title
23 to the real property above described, subject to the exceptions above
24 set forth. Vendor will, upon execution hereof, make and execute in
25 favor of Purchaser, a good and sufficient Warranty Deed conveying said
26 premises free and clear as of this date of all encumbrances, subject to
27 the above set forth exceptions, and will place said deed, together with
28 the original of this agreement, and any other conveyances or title or
29 security instruments required hereby in escrow at First Federal Savings
30 and Loan Association of Klamath Falls with instructions to said
31 Escrow Holder that when and if the Purchaser shall have paid the balance
32 of the purchase money and interest as above specified and shall have

12970

1 complied with all other terms and conditions of this agreement, to
2 deliver the same to Purchaser subject to the usual printed conditions
3 and provisions of the standard form of escrow instructions provided
4 by said Escrow Holder.

5 Vendor shall furnish, at his own expense, a Purchaser's Title
6 Insurance Policy issued by Transamerica Title Insurance Company under
7 Order No. 28-3710 insuring Purchaser's title in the above described
8 real property in the amount of \$15,000.00 subject to the above set
9 forth exceptions and the printed conditions and exceptions contained
10 in the usual form of title policy issued by said title insurance company
11 and shall deposit said policy with the above named Escrow Holder to be
12 held in escrow for delivery to Purchaser along with Vendor's Warranty
13 Deed according to the terms herein specified.

14 Purchaser shall be entitled to possession of the above described
15 real property on date hereof. Purchaser shall remain in possession so
16 long as Purchaser is not in default hereunder. Purchaser shall and
17 hereby agrees to keep said real property in clean, sanitary, sightly,
18 attractive condition; to commit no waste or otherwise damage or injure
19 said premises; to maintain said premises in accordance with the laws
20 and the ordinances and regulations of any constituted authority apply-
21 ing to said premises and to make up no unlawful use thereof; to pay
22 regularly and seasonably, and before the same shall become delinquent,
23 all taxes, assessments, and charges of whatever nature (including addi-
24 tional charges by reason of change of use) levied and assessed against
25 said real property and to pay and discharge all encumbrances thereafter
26 placed thereon by Purchaser; to permit no lien or other encumbrances
27 to be filed upon or placed against said premises without the written
28 consent of Vendor; and it is further understood and agreed for the
29 purposes of this provision that if Purchaser fails to pay or dis-
30 charge any taxes, assessments, liens, encumbrances, or charges, Vendor,
31 at his option and without waiver of default or breach of Purchaser, and
32 without being obligated to do so, may pay or discharge all or any part

1 thereof all of which said sums so paid by Vendor shall become repayable
2 by Purchaser, together with interest at the rate of ten (10%) percent
3 per annum, upon demand, payment of which is part of the performance of
4 this agreement by Purchaser and a condition precedent to delivery of
5 the Warranty Deed and other documents by the Escrow Holder.

6 In the event any governmental agency or entity having the power of
7 eminent domain acquires by eminent domain, or by negotiated sale in
8 lieu of eminent domain, all, or any portion, of the real property des-
9 cribed in this contract, Vendor may require Purchaser to apply all
10 proceeds received by Purchaser from such acquisition (remaining after
11 payment by Purchaser of attorney fees, appraiser fees, and related
12 necessary and reasonable costs in connection with securing said proceeds)
13 which proceeds are hereinafter called "net proceeds" toward the pay-
14 ment of the sums secured by this contract. Upon receipt of said net
15 proceeds, Purchaser shall notify Vendor of the amount of said net
16 proceeds and Vendor shall, within ten (10) days after such notification,
17 notify Purchaser in writing if Vendor elects to have said net proceeds
18 applied toward payment of the sums secured by this contract. If
19 Vendor fails to so notify Purchaser of such election, Vendor shall
20 conclusively be deemed to have elected not to require Purchaser to
21 apply said net proceeds toward the sums secured by this contract. If
22 Vendor elects to have said net proceeds applied toward payment toward
23 the sums secured by this contract, the amount to be received by Vendor
24 shall not exceed the total of the principal plus accrued interest to
25 the date of receipt thereof by Vendor, and all such sums shall be paid
26 to the Escrow Holder named herein. Regardless of whether Vendor elects
27 to have said net proceeds applied to the sums secured by this contract,
28 Vendor will join in any conveyance required by the governmental agency
29 or entity acquiring a portion or all of the real property described
30 herein by eminent domain, but Vendor shall not be required to partially
31 convey more property than that which is acquired by such governmental
32 agency or entity. Vendor shall not be obligated to participate in

1 any negotiations with such governmental agency or entity. Any
2 notice or notices required to be given by Purchaser to Vendor pur-
3 suant hereto shall be in writing, and shall be deemed given when
4 the same is deposited in the United States Mail, as certified mail,
5 postage prepaid, addressed to Vendor at the last address of Vendor
6 shown on the records of the Escrow Holder.

7 If Purchaser shall sell said real property described herein and
8 securing the unpaid balance of this contract, Vendor may elect to
9 permit the subsequent Purchaser to assume the balance of Purchaser's
10 obligation secured hereby, or to demand the then unpaid balance of
11 principal and interest from Purchaser, or the transferee of said
12 Purchaser, or both, at the option of Vendor. This clause cannot be
13 waived, unless Purchaser gives Vendor notice of such sale in writing
14 and Vendor, after receipt of such written notice, accepts a payment
15 from the subsequent Purchaser. The written notice provided for
16 herein shall be deemed given when the same is deposited in the
17 United States Mail as registered mail, addressed to the last address
18 of Vendor shown on the records of the Escrow Holder.

19 Vendor may appear in or defend any action or proceeding at law,
20 in equity, or in bankruptcy, affecting in any way the security
21 hereof, and in such event, Vendor shall be allowed and paid, and
22 Purchaser hereby agrees to pay, all costs, charges and expenses,
23 including costs of evidence of title or validity and priority of
24 the security and attorney fees in a reasonable sum, incurred in any
25 such action or proceeding in which Vendor may appear, which shall
26 bear interest at ten (10%) percent from date of demand therefor.
27 Failure of Purchaser to pay Vendor for such costs, charges and
28 expenses within 90 days from date of demand therefor shall con-
29 stitute a breach of this contract.

30 If Purchaser shall fail to perform any of the terms of this
31 agreement, time of payment and performance being of the essence,
32 Vendor shall, at his option, subject to the requirements of notice

1 as herein provided, have the following rights:

2 (a) To foreclose this contract by strict foreclosure
in equity;

3 (b) To declare the full unpaid balance of the purchase
4 price immediately due and payable;

5 (c) To specifically enforce the terms of this
agreement by suit in equity; and

6 (d) To declare this agreement null and void as of the
7 date of the breach and to retain as liquidated damages the
8 amount of the payments heretofore made upon said premises.
9 Under option (d) all of the rights, title and interest of
10 Purchaser shall revert and revest in Vendor without any act
of re-entry or without any other act by Vendor to be performed,
11 and Purchaser agrees to peaceably surrender the premises to
Vendor, or in default thereof, Purchaser may, at the option
after the expiration of a lease and may be ousted and removed
as such.

12 Purchaser shall not be deemed in default for failure to perform
13 any covenant or condition of this contract, other than the failure
14 to make payments as provided for herein, until notice of said default
15 has been given by Vendor to Purchaser and Purchaser shall have
16 failed to remedy said default within 30 days after the giving of the
17 notice.

18 If Purchaser shall fail to make payments as herein provided
19 and said failure shall continue for more than 30 days after the
20 payment becomes due, Purchaser shall be deemed to be in default and
21 Vendor shall not be obligated to give notice to Purchaser of a
22 declaration of said default.

23 Where notice in writing is required by Vendor to the Purchaser,
24 such notice shall be deemed given when the same is deposited in
25 the United States mail as Certified Mail, addressed to the address of
26 Purchaser shown on the records of the Escrow Holder.

27 No waiver by Vendor of any breach of any covenant of this
28 agreement shall be construed as a continuing waiver of any subsequent
29 breach of such covenant nor as a waiver of any breach of any other
30 covenant nor as a waiver of the covenant itself.

31 In the event any suit or action is commenced to foreclose this
32 Contract of Sale

1 contract, the court having jurisdiction of the case may, upon motion
2 by Vendor, appoint a receiver to collect the rents and profits arising
3 out of the above described real property and to take possession,
4 management and control of the same during pendency of such foreclosure
5 proceeding or until payment of the obligations hereby secured, and
6 apply said rents and profits to the payment of the amount due hereunder,
7 first deducting all proper charges and expenses attending the execution
8 of said receivership.

9 Upon the commencement of any suit or action to collect the
10 indebtedness or disbursements, secured hereby, or any part thereof,
11 or to enforce any provision of this contract by specific performance,
12 foreclosure, or otherwise, there shall become due, and Purchaser agrees
13 to pay to Vendor, in addition to all statutory costs and disbursements,
14 any amount Vendor may incur or pay for any title report, title search,
15 insurance of title, or other evidence of title subsequent to the date
16 of this contract on any of the real property above described and
17 this contract shall be security for the payment thereof.

18 In the event any suit or action is instituted to collect the
19 indebtedness or disbursements secured hereby, or any part thereof,
20 or to enforce any provision of this contract by specific performance,
21 or foreclosure, or otherwise, the prevailing party, at trial, or on
22 appeal, shall be entitled to such reasonable attorney's fees as shall
23 be fixed by the court having jurisdiction of the case, in addition
24 to statutory costs and disbursements.

25 Upon delivery of any partial conveyance from Vendor to Purchaser,
26 as provided herein, and the payment of the full consideration therefor,
27 the terms, covenants, conditions and provisions of this contract shall
28 not extend to, nor be binding upon, the real property conveyed by
29 such partial conveyance.

30 This agreement contains the full understanding of the parties
31 with respect to the subject hereof and no modification hereof shall
32 be given effect unless the same be in writing subscribed by the

12975

parties hereto or their successors in interest.

This agreement shall bind and inure to the benefit of, as the circumstances may require, the parties hereto, and their respective successors, heirs, executors, administrators and assigns.

In construing this agreement, the singular shall include both the singular and the plural and the masculine both the masculine and feminine.

Orrin L. Stuempges
Orrin L. Stuempges

Shirley A. Stuempges
Shirley A. Stuempges

Vendor

Donald I. Sloan
Donald I. Sloan

Hazel I. Sloan
Hazel I. Sloan

Purchaser

STATE OF OREGON)
COUNTY OF KLAMATH) ss.

On the 31st day of October, 1972, personally appeared the above named ORRIN L. STUEMPGES and SHIRLEY A. STUEMPGES, husband and wife, and acknowledged the foregoing instrument to be their voluntary act and deed.

Before me:

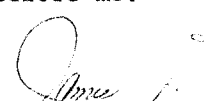
Donna T. ...
Notary Public for Oregon
My Commission Expires: 6-24-73

12976

1 STATE OF OREGON)
2 COUNTY OF KLAMATH) ss.

3 On the 31 day of October, 1972, personally appeared the above
4 named DONALD L. SLOAN and HAZEL I. SLOAN, husband and wife, and ack-
5 nowledged the foregoing instrument to be their voluntary act and deed.

6 Before me:

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8 Notary Public for Oregon
9 My Commission Expires: Nov 22 1972
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12 STATE OF OREGON; COUNTY OF KLAMATH; ss.
13 Filed for record at request of TRANSAMERICA TITLE INS. CO
14 this 10th day of NOVEMBER A. D. 19 72 at 11:20 o'clock A.M., and duly recorded in
15 Vol. M 72 of DEEDS on Page 12968

16 FEE \$ 18.00

17 By WM. D. MILNE, County Clerk
18 Hazel Sloan

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