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Until a change is requested, all
tax statements shall be sent to
Grantee at the following address: Kenneth D. Stevens

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61456 Masterson Rd.

Bend Oregon 97701

CONTRACT OF SALE

THIS AGREEMENT Made this 24 day of December, 1975

BETWEEN: BROOKS RESOURCES CORPORATION

hereinafter called Seller,

AND: KENNETH D. STEVENS

hereinafter called Purchaser:

W I T N E S S E T H :

The Seller agrees to sell to Purchaser and Purchaser
agrees to purchase that certain land, and all improvements thereon,
situated in Klamath County, State of Oregon, described as follows:

That portion of the Southwest Quarter (SW $\frac{1}{4}$) of
Section One (1), and the Southeast Quarter (SE $\frac{1}{4}$)
of Section Two (2), and the North One-half of
the Northeast Quarter (NE $\frac{1}{4}$) of Section Eleven
(11), all lying West of the Little Deschutes River;
the East One-half of the Southwest Quarter (E $\frac{1}{2}$ SW $\frac{1}{4}$)
of Section Two (2), Township Twenty-three (23)
South, Range Nine (9), East of the Willamette
Meridian, Klamath County, Oregon.

SUBJECT TO:

1. Rights of Federal Government, the State of
Oregon, and the general public in and to that por-
tion of said property lying below the high water
line of the Little Deschutes River.
2. Easement Deed, including the terms and provisions
thereof, executed by Harold D. Barclay and Dorothy
Barclay, husband and wife, to Fred L. Mahn, dated
May 29, 1963, and recorded July 31, 1963, in Deed
Volume 347, Page 76, records of Klamath County,
Oregon.

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3. All property within 200 yards of the River shall be subject to the following restrictions:

a. Buildings must be suitable for year around use and must be placed on permanent foundations, consisting of concrete, brick, pumice blocks, or stone masonry. Pitch of the roof and size and spacing and ceiling joists must be adequate to withstand heavy snow packs. Roofs must be of wood shingle. All buildings, fences and improvements must be constructed in workmanlike manner and kept in a condition of good repair. Exposed portion of foundation must be painted or sided if more than 12" above the ground. Exteriors to be finished with natural materials with a rustic appearance.

b. All land owners must comply with the laws and regulations of the State of Oregon, County of Klamath, and any municipality applicable to fire protection, building construction, water, sanitation, and public health.

c. No commercial, professional, noxious or offensive trade or activity shall be carried on upon any lot, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood.

d. The cutting or removal of living trees will only be permitted where necessary for the construction of buildings or thinning for the beautification of the property.

PURCHASE PRICE AND TERMS: The purchase price of the property which Purchaser agrees to pay shall be the sum of ONE HUNDRED THIRTY THOUSAND and no/100 (\$130,000.00) ----- DOLLARS, payable as follows:

(a) The sum of \$500.00 which has previously been paid as earnest money.

(b) The sum of \$24,500.00 which is paid upon execution hereof.

(c) The remaining balance of \$105,000 shall be paid in annual installments of not less than \$10,000.00, including interest at the rate of 7-1/2 percent per annum on the unpaid

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balances, the first of such installments to be paid on the anniversary of the execution of this agreement and on the same day of each year thereafter, provided that the entire balance of principal and interest shall be paid on or before the 10th anniversary of the execution of this contract.

(d) As an alternative to the foregoing terms of payment, Purchaser may pay installments of \$13,000 annually, until the entire purchase price, including both principal and interest is paid in full. If Purchaser makes this election, annual payments of \$13,000 must commence with the first annual payment and continue for each payment thereafter.

All payments hereunder shall be paid to Seller at such place as Seller may hereafter designate.

INTEREST: Interest on all unpaid balances shall commence on the date of execution of this agreement.

POSSESSION: Purchaser shall be entitled to possession of the premises immediately upon the full execution of this agreement.

PREPAYMENT PRIVILEGES: Purchaser shall have the privilege of increasing any annual payment or prepaying the whole consideration at any time; provided that no additional payments shall be credited as regular future payments nor excuse Purchaser from making the regular annual payments provided for in this agreement.

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TAXES: All taxes levied against the above described property for the current tax year shall be prorated between Seller and Purchaser as of the date of this contract. Purchaser agrees to pay when due all taxes which are hereafter levied against the property and all public, private and statutory liens which may be hereafter lawfully imposed upon the premises.

IMPROVEMENTS, ALTERATIONS AND REPAIRS: Purchaser agrees that all improvements now located or which shall hereafter be placed on the premises shall remain a part of the real property and shall not be removed at any time prior to the expiration of this agreement without the written consent of Seller. Purchaser shall not commit or suffer any waste of the property, or any improvements thereon, or alterations thereof, and shall maintain the property and all improvements thereon and all alterations thereof in good condition and repair. Purchaser shall not otherwise make or cause to be made any improvements or alterations to the property without first obtaining the written consent of Seller.

COVENANTS OF TITLE: Seller covenants that it the owner of the above described property free of all encumbrances except those set forth hereinabove.

TITLE INSURANCE: Seller shall furnish at its expense a Purchaser's title insurance policy in the amount of \$130,000.00

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within thirty days from the date hereof, insuring Purchaser against loss or damage sustained by him by reason of the unmarketability of Seller's title, or liens or encumbrances thereon, excepting matters contained in usual printed exceptions in such title insurance policies, easements, conditions and restrictions of record and encumbrances herein specified, if any.

ADVANCE DEED: Provided Purchaser is not otherwise in default under the terms of this contract, Seller shall deliver advance deeds to one-acre parcels of the subject property on the following terms and conditions:

- (a) Purchaser shall pay to Seller the sum of \$560 for each acre, or portion thereof, conveyed hereunder.
- (b) Amounts paid hereunder shall not excuse Purchaser from any payment otherwise called for by the terms of this contract, but shall be applied to the unpaid principal balance.
- (c) Lots so conveyed shall be as nearly square or rectangular in shape as topography permits.
- (d) Purchaser shall bear all costs incidental to such conveyances, including costs of survey.
- (e) The number of unconveyed river front lots and back lots shall be kept in balance so that seller's security under this contract shall not be disproportionately diminished.

DELIVERY OF DEED: Upon payment of the entire purchase price for the property as provided herein, and performance by Purchaser of all other terms, conditions and provisions hereof, Seller shall forthwith execute and deliver to Purchaser a good

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and sufficient deed conveying said property free and clear of all liens and encumbrances, except as above provided and those placed upon the property or suffered by Purchaser subsequent to the date of this agreement.

REPRESENTATIONS: Purchaser has purchased the property solely upon Purchaser's own inspection and personal knowledge of the premises and opinion of the value thereof, and no promise to alter, repair, or improve said premises has been made by the Seller or by any agent of the Seller.

ASSIGNMENT: The Purchaser shall not sell, transfer, or assign his interest in this contract, or any interest in said real property, without first obtaining the written consent of the Seller. Provided, however, such consent shall not be unreasonably withheld.

DEFAULT: In the event Purchaser shall fail to perform any of the terms of this agreement, time of payment and performance being of the essence, Seller shall, at its option, subject to the requirements of notice as herein provided, have the following rights:

- (a) To foreclose this contract by strict foreclosure in equity.
- (b) To declare the full unpaid balance of the purchase price immediately due and payable.

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

(d) To declare this agreement null and void as of the date of the breach and to retain as liquidated damages the amount of the payment theretofore made upon said premises. Under this option all of the right, title and interest of Purchaser shall revert and revest in Seller without any act of reentry or without any other act by Seller to be performed, and Purchaser agrees to peaceably surrender said premises to Seller, or in default thereof Purchaser may, at the option of Seller, be treated as a tenant holding over unlawfully after the expiration of a lease and may be ousted and removed as such.

Purchaser shall not be deemed in default for failure to perform any covenant or condition of this contract, other than the failure to make payment as provided for herein until notice of said default has been given by Seller to Purchaser and Purchaser shall have failed to remedy said default within ten days after the giving of notice. Notice for this purpose shall be deemed to have been given by the deposit in the mails of a certified letter containing said notice and addressed to Purchaser at his last known address. If Purchaser shall fail to make payment as herein provided and said failure shall continue for more than thirty days after the payment becomes due, Purchaser shall be deemed in default and Seller shall not be obligated to give notice to Purchaser of a declaration of said default.

WAIVER: No waiver of a breach of any covenant, term of condition of this agreement shall be a waiver of any other or subsequent breach of the same or any other covenant, term or condition or as a waiver of the covenant, term or condition itself.

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SUCCESSOR INTERESTS: The covenants, conditions and terms of this agreement shall extend to and be binding upon and inure to the benefit of the heirs, personal representatives and assigns of the parties hereto.

LITIGATION FEES AND EXPENSES: In the event suit or action be instituted to enforce any of the terms or conditions of this agreement, the losing party shall pay to the prevailing party, in addition to the costs and disbursements allowed by statute, such sum as the court may adjudge reasonable as attorney fees in such suit or action, in both trial court and appellate courts.

INTERPRETATION: As used in this contract, it is understood that the Seller or the Purchaser may be less than two persons; that if the context so requires, the plural pronoun shall be taken to mean and include the singular, the masculine, the feminine and the neuter, and that generally all grammatical changes shall be made, assumed, and implied to make the provision hereof apply equally to an individual.

IN WITNESS WHEREOF, The parties hereto have executed this agreement the day and year first above written.

SELLER: BROOKS RESOURCES CORPORATION

By

PURCHASER:

KENNETH D. STEVENS

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STATE OF OREGON, County of Deschutes, ss

Personally appeared the above named W. L. SMITH, who, being first duly sworn, stated that he is the President of BROOKS RESOURCES CORPORATION, and that the foregoing instrument was voluntarily signed on behalf of said corporation by authority of its Board of Directors. Before me:



Linda A. Robinson
Notary Public for Oregon
My Commission expires 4-16-79

STATE OF OREGON, County of Deschutes, ss:

Personally appeared the above named KENNETH D. STEVENS, and acknowledged the foregoing instrument to be his voluntary act. Before me:



Linda S. Milne
Notary Public for Oregon
My Commission expires 4-10-78

STATE OF OREGON,
County of Klamath
Filed for record at request of

RECEIVED COUNTY CLERK DO
this 19th day of MARCH A.D. 9 76
4:27 o'clock P.M., and do
attest M 76 of DEEDS
By Wm D. MILNE County Clerk
By Glenn D. Drazil Deputy
3 27 76

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