

25359

LAND SALE CONTRACT

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THIS AGREEMENT MADE on the 21st day of January, 1977, between the STATE OF OREGON, represented and acting by the Director of Veterans' Affairs, Seller, and Ellis J. Stutzman, a single person, Buyer.

Seller agrees to sell and Buyer agrees to purchase real property described as follows:

Lots 28 and 29 in Block 21 of INDUSTRIAL ADDITION to Klamath Falls, Oregon, Klamath County, Oregon.

Excepting and reserving to itself, its successors, and assigns, all minerals, as defined in ORS 273.775(1), and including soil, clay, stone, sand and gravel and all geothermal resources, as defined in ORS 273.775(2), together with the right to make such use of the surface as may be reasonably necessary for prospecting for, exploring for, mining, extracting, reinjecting, storing, drilling for and removing such minerals and geothermal resources; provided, however, that the rights hereby reserved to use the surface for any of the above activities shall be subordinate to that use of the surface of the premises deeded herein, or any part thereof, being made by the owner thereof on the date the State of Oregon leases its reserved minerals or geothermal resources; in the event of such use of the premises by a surface rights owner would be damaged by one or more of the activities described above then such owner shall be entitled to compensation from the State's lessee to the extent of the diminution in value of the surface rights owner's interest.

Buyer agrees to pay \$4,500, as purchase price. Seller acknowledges receipt of \$450, as part payment, with unpaid balance to draw interest at 8 percent per annum from date hereof, and to be paid as follows:

\$50 per month, plus one-twelfth of the estimated ad valorem taxes for each successive year, to be paid in lawful money of the United States at the office of the Director of Veterans' Affairs in Salem, Oregon; first payment to commence on the first day of April, 1977, and to continue on the first day of each month thereafter until the full amount of principal, interest, tax advances and other charges shall be fully paid, such payments to be applied first as interest on the unpaid principal, the remainder on the principal.

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BUYER FURTHER COVENANTS AND AGREES:

1. Not to permit a vacancy in, nor removal or demolition of, any buildings or improvements now or hereafter existing; to keep all buildings in good repair.
2. Not to permit cutting or removal of any trees without written consent of Seller; not to commit or suffer any waste, nor permit any objectionable or unlawful use of premises.
3. Not to permit any delinquent assessments, liens or encumbrances to exist at any time.
4. Buyer may assign, sell, rent, lease or transfer his interest under this contract upon written consent of Seller, and such shall not operate to relieve Buyer of obligations under same, but shall constitute him a co-obligor with his assignee, who shall be subject to all obligations and duties imposed upon Buyer.
5. To keep all insurable improvements insured during term of contract against loss by fire and other hazards, in company or companies, in an amount required by Seller. All policies will be made in the name of the Seller with a contract of sale clause in favor of the Buyer. If Buyer fails to effect insurance, Seller may secure same, add cost to balance and cost shall be a debt due. At Seller's option, proceeds of insurance may be used to repair or replace buildings.
6. At Seller's option, all damages received, under right of eminent domain, or for any security voluntarily released, shall be applied to indebtedness.
7. Seller will apply full amount of each payment (base monthly payment plus one-twelfth of estimated tax) to interest and principal when received. Seller will pay real property taxes when due and add same to principal balance. Monthly payments may change from year to year due to fluctuation of real property taxes.
8. Seller's acceptance of delayed payments or performance after time such should have been performed shall not constitute a waiver by Seller of strict compliance with the contract.
9. If any action or suit is begun or attorney employed by Seller to enforce any remedy under this contract, Buyer agrees to pay cost of same, including a title report and attorney's fees.
10. If Buyer fails to make payments or keep all agreements of this contract, Seller shall have right, without tender of performance, suits or action, to declare the agreement null and void, and all right, title and interest existing in favor of Buyer shall utterly cease and determine, and premises shall revert, without any declaration, forfeiture, re-entry, or other act, to Seller and without any right of Buyer to reclamation for payments, or improvements, same being considered as liquidated damages for nonperformance of this contract; Seller may, without notice or demand, enter

premises, repossess same, expel Buyer and those claiming under him, remove his effects without being guilty of trespass, and without prejudice to any other remedies which might be used. Seller may elect to consider this contract as existing and declare immediately due and payable the unpaid purchase price, including taxes, interest and other charges or advances, by reason of any default of Buyer, time herein declared to be of the essence.

If Buyer shall make payments at time specified and strictly perform all agreements according to the tenor of this contract, then Seller will furnish Buyer a deed and an owner's title policy showing marketable title as of the date of this agreement; subject, however, to any vested rights or easements not of record.

The total sum due on this contract may be paid at any time without penalty.

REDEMPTION: PREMISES ARE SUBJECT TO AN OUTSTANDING RIGHT OF REDEMPTION UNTIL January 28, 1977. If redeemed, Buyer will promptly vacate premises and surrender possession to redemptioner. Seller will refund to Buyer or his heirs or assigns, all moneys received under terms of this contract toward purchase price, together with interest on payments at 8 percent per annum from the several dates that payments were received by Seller; subject, however, to a deduction in the sum of \$59 per month, as a reasonable rental for use of the premises from date of this agreement to date possession is surrendered.

IN WITNESS WHEREOF, Seller has caused this contract to be executed in duplicate on its behalf by the Director of Veterans' Affairs, and Buyer has hereunto set his hand and seal.

STATE OF OREGON

By: H. C. Salfeld
Director of Veterans' Affairs - Seller

STATE OF OREGON)
) ss
County of Marion)

On this 27th day of January, 1977, before me a Notary Public personally appeared the above-named H. C. Salfeld, Director of Veterans' Affairs, for the State of Oregon, and acknowledged the foregoing instrument to be his voluntary act and deed.

WITNESS my hand and official seal.

Joene Van Epps
Notary Public for Oregon
My Commission expires: OCT 8 1979

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Ellis J. Stutzman
Ellis J. Stutzman - Buyer

STATE OF OREGON)
County of Linn) ss

On this 26th day of January, 19 77, before me a Notary Public personally appeared the above-named and acknowledged the foregoing instrument to be his voluntary act and deed.

WITNESS my hand and official seal.

J. P. Woodruff
Notary Public for Oregon
My Commission Expires: 1-19-78

Ret: Dept. of U.C.
Salem Ore 97310

STATE OF OREGON
DEPARTMENT OF V.A.
11th day of February A.D. 1977 11:54 A.M.
fully recorded in Vol. M 77 DEEDS on Page 2560
FEE\$ 12.00
W.D. MILNE, County Clerk
Hazel D. Dugan