

REAL ESTATE CONTRACT

THIS AGREEMENT dated April 15, 1977, by and between  
CHRISTINE MAY LUNETTA and MICHAEL D. LUNETTA, husband and wife,  
hereinafter called "Seller" and ROBERT M. REED and MAPRIL J. REED,  
husband and wife, hereinafter called "Buyer";

W I T N E S S E T H :

03 Seller hereby agrees to sell to Buyer and Buyer hereby agrees to  
9 purchase from Seller the following described real property, to-wit:

77 APR 13 1977  
Beginning at the intersection of the Westerly line of Lot 4 in Block 51  
of NICHOLS ADDITION to the City of Klamath Falls, Oregon, with the  
Northerly line of closed Canal Street on the Easterly line of Ninth  
Street; thence running Easterly along the Southerly line of Lot 4 and  
3 in said Block 51 a distance of 130 feet for the true point of beginn-  
ing; thence Northwesterly at right angles to closed Canal Street 122  
feet; thence Northeasterly parallel with closed Canal Street a distance  
of 25 feet, 9 inches; thence Southeasterly parallel with Ninth Street  
122 feet; thence Southwesterly along the Northerly line of closed Canal  
Street 25 feet, 9 inches to the point of beginning, being Westerly 25  
feet 9 inches of Lot 2 in Block 51 of Nichols Addition and the Southerly  
2 feet of the Westerly 25 feet 9 inches of Lot 7 in Block 51, of Nichols  
Addition to the City of Klamath Falls, Oregon.

AND from the intersection of the Easterly line of Ninth Street with the  
Northerly line of closed Canal Street, running Northeasterly along the  
Southerly line of Lots 4 and 3 in Block 51 of Nichols Addition to the  
City of Klamath Falls, Oregon, a distance of 130 feet for the true point  
of beginning; thence Northwesterly at right angles of closed Canal  
Street a distance of 120 feet; thence Southwesterly parallel with closed  
Canal Street, 10 feet; thence Southeasterly at right angles of closed  
Canal Street, 120 feet; thence Northeasterly 10 feet to the place of  
beginning, being a portion of Lot 3 in Block 51 of NICHOLS ADDITION to  
the City of Klamath Falls, Oregon.

Subject, however, to the following:

Unrecorded Contract of Sale dated January 27, 1975, between  
LLOYD L. GILCRIST, WINNIFRED G. CLAWSON, DOROTHY L. TEPPER,  
FRANCES M. DEETS, and RICHARD L. GILCRIST, as tenants in common,  
Sellers, and MICHAEL D. LUNETTA and CHRISTINE MAY LUNETTA, husband  
and wife, Buyers, which Contract is not assumed by ROBERT M. REED  
and MAPRIL J. REED, husband and wife, and CHRISTINE MAY LUNETTA  
and MICHAEL D. LUNETTA, husband and wife, and Sellers further covenant  
to and with Buyers herein that the said prior unrecorded Contract  
shall be paid in full prior to, or at the time this contract is  
fully paid and that said above described real property will be  
released from the lien of said mortgage upon payment of this  
contract by Buyers,

all upon the terms and conditions hereinafter set forth.

PURCHASE PRICE: The purchase price to be paid by the Buyer to the  
Seller is \$40,000.00 Dollars, of which the sum of \$5,000.00 has been  
paid the receipt of which is hereby acknowledged.

The balance of the purchase price shall be paid as follows:

\$35,000.00 with interest at the rate of 9% per annum from  
April 15, 1977, payable in monthly installments of not less  
than \$275.00 per month, inclusive of interest, with first  
payment due May 1, 1977 up to and including December 31,  
1980 when the monthly installments increase to \$287.50 per  
month, inclusive of interest, and a like installment of



\$287.50 on the 1st day of every month thereafter until the balance, and interest, is fully paid.

Buyer agrees to pay a lump sum payment as follows:

\$1,000.00 on April 1, 1979.

\$1,000.00 on April 1, 1980.

The Buyer warrants to and covenants with the Seller that the real property described in this contract is:

Primarily for Buyers's personal, family, household or agriculture.

**TAXES AND ASSESSMENTS:** The Buyer assumes and agrees to pay before delinquency, taxes and assessments of any kind or character which may hereafter become a lien on said real estate.

**INSURANCE:** Buyer agrees to keep the buildings now or hereafter placed upon said premises insured in an amount equal to the unpaid balance hereunder as the same shall exist from time to time or \$35,000.00 Dollars, whichever shall be greater, against loss or damage by fire and causes covered under extended coverage, payable to Seller, in a company acceptable to Seller and for Seller's benefit as Seller's interest may appear, and to deliver to Seller copies of all such policies and renewals of such policies.

**PAYMENTS BY SELLER:** In the event Buyer fails to make any tax or other payment as herein required, or to maintain insurance, Seller may, but is not hereby required to, make such payment or effect such insurance, and any amount so paid by Seller, together with interest thereon at the same rate as provided in this contract for the unpaid balance, from the date of Seller's payment until repaid shall be reimbursed by Buyer on demand and secured by this contract, all without prejudice to any other right Seller may have by reason of such default.

**REPRESENTATIONS:** Buyer agrees that full inspection of said property has been made, and that neither Seller, Seller's assigns, nor Seller's representatives have made any representations concerning the condition of the property or the improvements thereon nor has any agreement for alteration, improvement or repair been made unless the same is set forth in this agreement.

**RISK OF LOSS:** Buyer assumes all hazards of damage to or destruction of any improvements now or hereafter located on said real estate and of the taking of said real estate or any part thereof for public use, and agrees that no such damage, destruction or taking shall constitute a failure of consideration.

**INSURANCE PROCEEDS:** In case of damage or destruction from a peril insured against, the proceeds from such insurance remaining after payment of the reasonable expenses of procuring the same shall be devoted to the restoration or rebuilding of such improvements within a reasonable time, unless Seller elects in writing that such proceeds be paid to him for application, in inverse order of their maturity, against the principal portion of any payments of the unpaid balance hereunder thereafter falling due, in which event, such insurance proceeds shall be so applied.

**USE AND MAINTENANCE:** Buyer covenants to keep the buildings and other improvements, if any, now or hereafter located on said real estate in good repair and not to permit waste nor use nor permit the use of said property for any illegal purpose. Buyer covenants to pay all service, installation or construction charges for water, sewer, electricity, garbage or other utilities furnished to said real estate after Buyer is entitled to possession.

**FULFILLMENT DEED:** Seller agrees, upon receipt of full payment of the purchase price and interest in the manner above specified and when all other terms, conditions and covenants of this contract have been met, to convey the above described real property to Buyer by statutory warranty deed, free and clear of encumbrances except those which may attach after the date hereof through any person other than the Seller or Seller's successors and assigns, and except such encumbrances as Buyer has assumed or to which Buyer has purchased subject as stated above.

**POSSESSION:** Buyer shall be entitled to possession of the above described properties as of April 15, 1977 and may retain possession only so long as Buyer is not in default herein.

**ASSIGNMENT:** Buyer shall not assign this contract nor any interest herein nor sell any interest herein without the written consent of Seller, which consent Seller agrees not to unreasonably withhold.



**SELLER'S REMEDIES:** Time is of the essence of this contract. In the event Buyer shall fail to comply with or perform any condition or agreement hereof promptly at the time and in the manner herein specified and shall fail to correct said default within a period of 30 days after personal service or date of mailing of notice thereof as herein provided, the same shall constitute a material breach of this agreement, and thereupon Seller may exercise any of the following optional, cumulative remedies:

- a. Seller may elect to declare this contract null and void and all of Buyer's rights hereunder terminated and upon so doing, all payments made by Buyer hereunder may be declared forfeited to Seller as liquidated damages, and Seller shall have the right to re-enter and take possession of the real estate and Buyer in such event agrees to immediately surrender possession of said premises.
- b. Seller may elect to bring action or actions on any intermediate overdue installment or on any payment or payments made by Seller and repayable by Buyer, it being stipulated that the covenants to pay intermediate installments or to pay items repayable by Buyer are independent of the covenant to make a deed, and that every such action is an action arising on contract for the recovery of money only, as if the promise to pay had been expressed in a different instrument. Buyer agrees that no such action shall constitute an election not to proceed otherwise as to any subsequent default, and no waiver by Seller or any default of Buyer shall be construed as a waiver of any subsequent default.
- c. Seller may accelerate and declare the entire unpaid balance immediately due and payable and may commence an action against Buyer for said unpaid balance, together with any other sums due Seller or herein required to be paid by Buyer by virtue of this contract, including but not limited to interest and delinquent taxes or assessments, and to commence an action for the entire principal balance of the purchase price plus such other sums. The failure of Seller to bring an action against Buyer at any time upon the violation of any of the terms of this contract by Buyer shall not be construed to be a waiver of any of the rights of Seller specified herein.
- d. Seller may foreclose this contract by suit in equity, and in any of such cases, all the right and interest hereby created or then existing in favor of the Buyer derived under this agreement, shall utterly cease and determine, and the premises aforesaid shall revert and re-vest in the Seller without any declaration of forfeiture or act of re-entry, or without any other act by Seller to be performed and without any right of the Buyer of reclamation or compensation for money paid or for improvements made as absolutely fully and perfectly as if this agreement had never been made.

**COSTS AND ATTORNEY'S FEES:** In the event Seller elects to exercise Seller's rights under any of the options above set forth, through court action or otherwise, and the Seller incurs any costs, expenses or attorney's fees by reason of such exercise, Buyer agrees to pay Seller all such reasonable costs, expenses and a reasonable attorney's fee in connection with the enforcement of Seller's rights.

**NOTICES:** All demands, notices and notices of forfeiture may be personally served upon the parties or service thereof may be made by certified mail, addressed to the respective parties at the following addresses: That Seller's address is 933 Washington, Klamath Falls, Oregon 97601. That Buyer's address is 6715 Eberline, Klamath Falls, Oregon 97601.

**TITLE INSURANCE:** Seller has delivered, or agrees to deliver within 30 days of the date hereof, a purchasers' policy of title insurance in standard form, or a commitment therefor, issued by a title insurance company entitled to do business in the state where the above described property shall be located, in the amount of the purchase price, insuring marketable title in and to said premises



in the Seller on or subsequent to the date of this agreement, save and except the usual printed exceptions and the building and other restrictions and easements now of record, if any, and Seller also agrees that when said purchase price is fully paid and upon request and upon surrender of this agreement, he will deliver a good and sufficient deed conveying said premises in fee simple unto the Buyer, his heirs and assigns, free and clear of encumbrances since said date placed, permitted or arising by, through or under Seller, excepting, however, the said easements and restrictions and the taxes, municipal liens, water rents and public charges so assumed by Buyer and further excepting all liens encumbrances created by the Buyer or his assigns.

**PARTIES:** The obligations of the undersigned are joint and several, and wherever the context hereof so admits or requires, the singular shall include the plural. This agreement shall benefit and bind the heirs, executors, administrators, successors and assigns of the parties.

**ESCROW:** As soon as practicable after the execution of this agreement, the parties shall deliver to the United States National Bank of Oregon, 3720 South 6th St., Klamath Falls, Oregon in escrow the following documents:

- A full warranty deed covering the above described real property.
- A recorded Contract of Sale.
- Such escrow instructions as shall meet with the approval of the above named escrow agent.

The parties instruct the above named escrow agent to receive for collection the installments provided for herein and to remit the same to Seller as Seller may from time to time direct. Seller retains a lien on said properties to secure Buyer's payment and performance hereof; but upon full and faithful payment and performance hereby by Buyer, title shall pass, and the escrow agent shall then deliver to Buyer all instruments deposited in escrow.

**SURVIVORSHIP:** It is agreed by the parties hereto that the rights of Seller herein are the property and for the benefit of Seller jointly while they are both living, and the property and for the benefit of the survivor of them upon the death of either; that it is the intention of Seller that the proceeds of all payments upon this contract will be the property of Seller jointly while they are both living and the property of the survivor of them upon the death of either, said rights of survivorship being in the nature of tenants by the entirety and with right of survivorship. It is further agreed that this contract is executed in favor of Buyer as tenants by the entirety and with right of survivorship.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.

*Christine May Lunetta*  
Christine May Lunetta  
*Michael D. Lunetta*  
Michael D. Lunetta  
"SELLER"

*Robert M. Reed*  
Robert M. Reed  
*Mapril J. Reed*  
Mapril J. Reed  
"BUYER"

STATE OF OREGON )  
County of Klamath ) ss

April 8, 1977

Personally appeared, before me, the above named Christine May Lunetta, Michael D. Lunetta, Robert M. Reed and Mapril J. Reed and acknowledged the foregoing instrument to be their voluntary act and deed.

R.M.C.

*Susan J. Strickwell*  
Notary Public for Oregon  
My Commission Expires: 6-13-80

STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 13th day of APRIL A.D., 1977 at 9:03 o'clock A.M., and duly recorded in Vol. M 77, of DEEDS on Page 6173.

FEE \$12.00

WM. D. MILNE, County Clerk

By *Harold Drazic* Deputy