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31573 LAND SALE CONTRACT

This contract is made between PRIMARY SOURCE, INC., a California corporation, herein called "SELLER", and WALLACE V. TEUSCHER and ASGHAR R. SADRI, herein called "BUYERS",

WITNESSETH:

SELLER agrees to sell to BUYERS and BUYERS agree to purchase from SELLER for the price and on the terms and conditions set forth below, that certain real property and all improvements thereon situated in Klamath County, State of Oregon, described in Exhibit "A" to this contract.

Such property is referred to herein as the "property".

1. PURCHASE PRICE AND PAYMENT:

BUYERS shall pay to SELLER the purchase price of \$402,223.00, payable as follows:

- A. \$60,000 heretofore paid as earnest money.
- B. \$15,000 paid on execution of this contract.
- C. Commencing May 1, 1978 and May 1 of each year thereafter, to and including May 1, 1988, the sum of \$36,315.50 will be due and payable, including interest at the rate of 9% per annum on all unpaid balances. Interest shall commence on May 1, 1978. On May 1, 1989, all principal balance remaining will be due and payable together with accrued interest.

2. ADDITIONAL PROPERTY TERMS:

At no additional cost to BUYERS, SELLER shall convey to BUYERS the following described property:

Lots 1, 2, 3, 4, Block 2, and Lots 10, 11, 12, 13, Block 1, Tract 1031, Shadow Hills-I, Klamath County, Oregon,

by Special Warranty Deed, upon payment of the amount due on May 1, 1978, provided that BUYERS are not then in default in any respect under this contract.

UNTIL A CHANGE IS REQUESTED, ALL TAX STATEMENTS SHALL BE SENT TO THE FOLLOWING ADDRESS: 300 W. 39th, Vancouver, Washington 98660

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3. POSSESSION; CONDITION OF PROPERTY:

BUYERS shall be entitled to possession of the property from and after execution of this contract and may retain possession so long as BUYERS are not in default under the terms hereof.

BUYERS certify that this contract is accepted and executed on the basis of BUYERS' own examination and personal knowledge of the property and opinion of the value thereof; that no attempt has been made to influence BUYERS' judgment; that no representations as to the condition or repair of the property have been made by SELLER or by any agent of SELLER; that no agreement or promise to alter, repair or improve the property has been made by SELLER or by any agent of SELLER and that BUYERS take the property in the condition existing at the time of this contract.

4. EXISTING LIENS/IMPROVEMENT ASSESSMENTS:

BUYERS acknowledge they are aware that there are liens for improvement assessments against the property, the exact amount thereof being unknown to SELLER. BUYERS agree to assume and pay said liens and/or assessments.

5. SURVEY:

SELLER agrees to furnish a perimeter survey to establish the corners and boundaries of the property.

6. TAXES:

All taxes levied against the property for the current tax year shall be pro-rated between the SELLER and BUYERS as of execution of this contract. BUYERS agree to pay before delinquency, all taxes and assessments which are thereafter levied against the property and to keep the property free from public, municipal and statutory liens which may be thereafter imposed upon the property.

The property is presently specially assessed for farm use. If the property hereafter is disqualified for special assessment for farm use, BUYERS agree to pay the additional tax, plus any interest or penalties thereon, which may become due or be assessed against the property by reason of such disqualification.

7. TITLE INSURANCE; DEED:

A. SELLER shall furnish at SELLER'S expense, and within 30 days from the date of this contract, a policy of title insurance in a face amount equal to the purchase price of the property, insuring BUYERS against loss or damage sustained by BUYERS by reason of the unmarketability of SELLER'S title, or liens or encumbrances thereon, excepting matters contained in the usual printed exceptions in such title insurance policies, the exceptions set forth in Exhibit "A" hereto, and the lien of any current real estate taxes which, under the terms of this agreement, are BUYERS' responsibility to pay.

B. Upon payment of the total purchase price of the property, as provided herein, and performance by BUYERS of all other terms, conditions and provisions hereof, SELLER shall forthwith deliver to BUYERS a good and sufficient Special Warranty Deed conveying the property free and clear of all liens and encumbrances except those shown in Exhibit "A" and except those placed upon the property or suffered by BUYERS subsequent to the date of this contract.

8. ESCROW:

SELLER and BUYERS agree to establish an escrow account at First Federal Savings and Loan Association, Klamath Falls, Oregon, to service this transaction, and to execute such written instructions as said escrow agent may require. Payments by BUYERS made under this contract shall be made to the escrow agent. SELLER shall deliver into escrow the following instruments:

- A. The deed referred to in paragraph 7 hereof.
- B. An executed copy of this contract.
- C. The purchaser's policy of title insurance referred to in paragraph 7 hereof.

BUYERS and SELLER agree to share equally the initial escrow expense.

9. PARTIAL RELEASES:

BUYERS shall be entitled to receive releases by deed of parcels of the property at the rate of \$2,000 of principal due hereunder per acre for the parcels so released, provided that the property remaining subject to this contract shall constitute in itself a reasonably orderly, contiguous and usable property. For the amount of down payment paid by BUYERS at execution hereof, namely, \$75,000, BUYERS shall be entitled to receive release of 37½ acres of the property without payment of additional principal. BUYERS shall be entitled to obtain releases of additional parcels provided that the annual payments made by them hereunder shall constitute \$2,000 per acre for the acreage so released and, if not, then BUYERS may make payment of principal in addition to the annual payments due hereunder and receive release of additional parcels at the rate of \$2,000 per acre. All expenses attributable to partial releases, including costs of survey, attorney's fees, costs of preparation of instruments of conveyance and the like, and recording shall be borne by BUYERS.

10. DEFAULT:

A. Time is of the essence of this contract. A default shall occur if:

- (1) BUYERS fail to make any payment within 10 days after it is due.
- (2) BUYERS fail to perform any other obligation imposed by this contract and do not correct or commence correction of such failure within 20 days after receipt of written notice from SELLER specifying the manner in which BUYERS are in default; or
- (3) BUYERS become insolvent, a receiver is appointed to take possession of all or a substantial part of BUYERS' properties, BUYERS make an assignment for

the benefit of creditors or file a voluntary petition in bankruptcy, or BUYERS are the subject of an involuntary petition in bankruptcy which is not dismissed within 90 days. If BUYERS consist of more than one person or entity, the occurrence of any of these events as to any one such person or entity shall constitute a default hereunder.

B. In the event of a default, SELLER shall have any one or more of the following remedies:

- (1) Declare the entire balance of the purchase price and interest immediately due and payable;
 - (2) Foreclose this contract by suit in equity;
 - (3) Specifically enforce the terms of this contract by suit in equity;
 - (4) Declare this contract null and void as of the date of the breach and retain as liquidated damages the amount of the payments previously made hereunder.
- In such event, all of the right, title and interest of BUYERS to the property shall revert to and be vested in SELLER without any act of re-entry or without any other act by SELLER to be performed, and BUYERS agree to peaceably surrender the property to SELLER. Should BUYERS fail to so surrender the property, SELLER may, at its option, treat BUYERS as tenants holding over unlawfully after the expiration of a lease and BUYERS may be ousted and removed as such.

C. The remedies provided above shall be non-exclusive and in addition to any other remedies provided by law or equity.

D. Failure of SELLER at any time to require performance of any provision of this contract shall not limit the right of SELLER

to enforce the provision nor shall any waiver by SELLER of any breach of any provision be a waiver of any succeeding breach of that provision, or a waiver of that provision itself or any other provisions.

10. Any notice under this contract shall be in writing and shall be effective when actually delivered or when deposited in the mail, registered or certified, addressed to the parties at the addresses stated in this contract, or such other addresses as either party may designate by written notice to the other.

11. ADDRESSES:

For all purposes of this contract, the parties' addresses shall be:

SELLER: 8727 Bison Place
Gold Hill, Oregon 97525

BUYERS: 300 West 39th
Vancouver, Washington

12. COSTS AND ATTORNEY'S FEES:

In the event suit or action is instituted to enforce any of the terms of this contract, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorney's fees at trial or on appeal of such suit or action, in addition to all other sums provided by law.

13. SUCCESSOR INTERESTS:

This contract shall be binding upon and inure to the benefit of the parties, their successors and assigns, but no interest of BUYERS shall be assigned, subcontracted or otherwise transferred, voluntarily or involuntarily, without the prior written consent of SELLER, which consent shall not be unreasonably withheld. Consent by SELLER to one transfer shall not constitute a consent to other transfers or a waiver of this section.

14. PRIOR AGREEMENTS:

This document is the entire, final and complete agreement of the parties pertaining to the sale and purchase of the property,

and supercedes and replaces all written and oral agreements heretofore made or existing by and between the parties or their representatives insofar as the property is concerned.

DATED this 17 day of June, 1977.

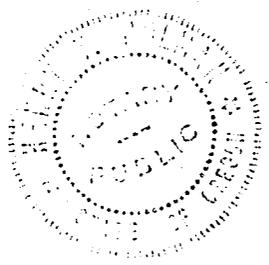
SELLER:
PRIMARY SOURCE, INC.

By: J. K. O'Neill
J. K. O'Neill, Its President
By: Peggy A. O'Neill
Peggy A. O'Neill, Its Secretary

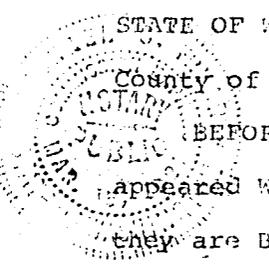
STATE OF OREGON)
) ss.
County of Jackson)

BEFORE ME this 17 day of June, 1977, personally appeared J. K. O'NEILL, and acknowledged that he is the President and Peggy A. O'Neill acknowledged that she is Secretary of PRIMARY SOURCE, INC., SELLER in the foregoing Land Sale Contract, and that he executed the contract on behalf of the corporation, freely and voluntarily.

Henry J. Holman
Notary Public for Oregon
My commission expires: 11/21/77



BUYERS:
Wallace V. Teuscher
Wallace V. Teuscher
Asghar R. Sadri
Asghar R. Sadri



STATE OF WASHINGTON)
) ss.
County of Clark)

BEFORE ME this 6 day of June, 1977, personally appeared WALLACE V. TEUSCHER and ASGHAR R. SADRI, and acknowledged they are BUYERS in the foregoing Land Sale Contract and that they executed said contract, freely and voluntarily.

Michael J. Jones
Notary Public for Washington
My commission expires: 3-15-81
Residing in Vancouver

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PARCEL 1

The following described real property in Klamath County, Oregon

All that portion of vacated Blocks 2 and 3 of Tract No. 1031, SHADOW HILLS - I vacated by Ordinance #5852, recorded May 22, 1972 in Deed Volume M-72 at page 5439, Klamath County Microfilm Records, EXCEPT that portion conveyed to Klamath County School District by Deed recorded in Deed Volume M-73 at page 4117, Klamath County Microfilm Records.

PARCEL 2

The following described real property in Klamath County, Oregon.

Tracts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15 and 19 ENTERPRISE TRACTS,

EXCEPTING THEREFROM any portions of the above described tracts lying within Tract 1031; Shadow Hills - I. or any vacated portion thereof vacated by Ordinance No. 5852 and recorded in Deed Volume M-72 at page 5439, Microfilm Records of Klamath County, Oregon.

AND ALSO EXCEPTING THEREFROM

Beginning at the Southwest corner of Tract #9, Enterprise Tracts; thence North 00° 23' 06" West, 349.03 feet to a point; thence North 89° 12' 38" East, 687.90 feet to a 5/8" iron rod on the Easterly line of said Tract 9; thence South 00° 52' 56" East 350.16 feet to a 5/8" iron rod, said iron rod being the Southeast corner of said Tract 9; thence South 89° 17' 44" West, 690.93 feet to the point of beginning, being a portion of Tract 9 of Enterprise Tracts.

AND FURTHER EXCEPTING any portion conveyed to Klamath County School District by Deed recorded in Volume M-73 at page 4117, Microfilm Records of Klamath County, Oregon.

SUBJECT TO:

1. Regulations, including levies, assessments, drainage rights and easements of Enterprise Irrigation District.
2. An easement created by instrument, including the terms and provisions thereof,
 Dated : November 15, 1962
 Recorded : December 21, 1962 Book: 342 Page: 155
 In favor of : Pacific Power & Light Co.
 For : Transmission line along the Easterly line of Tract 12, 40 feet wide.
3. An easement created by instrument, including the terms and provisions thereof,
 Dated : July 19, 1944
 Recorded : July 27, 1944 Book: 167 Page: 357
 In favor of : California Oregon Power Company
 For : Transmission and distribution of electricity.
 (Affects the Easterly 30 feet of Lot 4 Enterprise Tracts)
4. An easement created by instrument, including the terms and provisions thereof,
 Dated : October 22, 1953
 Recorded : October 22, 1953 Book: 263 Page: 533
 In favor of : California Oregon Power Company
 For : Transmission and distribution of electricity.
 (Affects Lots 2, 10, 14, N 15 acres of Lot 9, all Lot 19 Enterprise Tracts)
5. An easement created by instrument, including the terms and provisions thereof,
 Dated : June 20, 1961
 Recorded : September 14, 1961 Book: 332 Page: 249
 Dated : August 19, 1961
 Recorded : September 25, 1961 Book: 332 Page: 521
 In favor of : El Paso Natural Gas Company
 For : Right-of-way over Northerly 60 feet of Enterprise Tracts 1 and 7.
6. An easement created by instrument, including the terms and provisions thereof,
 Dated : January 27, 1972
 Recorded : February 18, 1972 Book: M-72 Page: 1809
 In favor of : Enterprise Irrigation District
 For : Irrigation supply line
 (Affects Tracts 6, 11, 12, 15 Enterprise Tracts)
7. An easement created by instrument, including the terms and provisions thereof,
 Dated : January 27, 1972
 Recorded : February 18, 1972 Book: M-72 Page: 1810
 In favor of : Enterprise Irrigation District
 For : Irrigation supply line
 (Affects Tracts 6, 11, 12, 15 Enterprise Tracts)
8. An easement created by instrument, including the terms and provisions thereof,
 Dated : September 11, 1973
 Recorded : October 5, 1973 Book: M-73 Page: 13493
 In favor of : Southern Oregon Broadcasting Co., doing business as
 Southern Oregon Cable T V
 (Along North line of NE Sec. 34, and across subdivision in NW Sec. 35)

9. Easement for existing public utilities in vacated street area reserved by Ordinance No. 5852 and the conditions imposed by said Ordinance. (Affects Parcel 1)

10. The Enterprise Irrigation District Canal as presently located on Enterprise Tracts 2, 3, 4, 5, 6, 7, 8, 9, 14 and 15.

11. City Sewer Unit #46, Card 1, docketed June 12, 1972. There is a \$600 per acre release set up on this sewer assessment. (Covers additional property)

12. As disclosed by the assessment and tax roll, the premises herein have been specially assessed for farm use. If the land becomes disqualified for this special assessment under the statutes, an additional tax, plus interest and penalty, will be levied for the number of years in which this special assessment was in effect for the land.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 24 day of June A.D., 19 77 at 3:49 o'clock P M., and duly recorded in Vol M77 of Deed on Page 11211.

FEE \$ 30.00

WM. D. MILNE, County Clerk

By Hazel L. Hagel Deputy