

2299

CONTRACT OF SALE

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12177

THIS CONTRACT made and entered into this 1<sup>st</sup> day of July, 1977, by and between JANA McCLAIN, JEFF ERLANDSON, and GORDON O. ERLANDSON and ADELLE ERLANDSON as Trustees for LISA ERLANDSON and GORDON ERLANDSON, hereinafter referred to as "Sellers," and TERRY A. KUHLMAN and SHERRILEE KUHLMAN, husband and wife, hereinafter referred to as "Purchasers";

W I T N E S S E T H :

The Sellers agree to sell to the Purchasers and the Purchasers agree to purchase from the Sellers the following described real property situated in the county of Klamath, state of Oregon, described as follows:

Lot 2, Block 3, THE HIGHLANDS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

SUBJECT TO: Right of way for pole and wire lines, including the terms and provisions thereof, given by the State Land Board to Pacific Telephone and Telegraph Company, dated July 20, 1942, recorded August 1, 1942, Deed Volume 149, page 40, records of Klamath County, Oregon.

FURTHER SUBJECT TO: Reservations and restrictions contained in deed from state of Oregon to Rowe F. Kinney and Emma L. Kinney, his wife, dated January 1, 1948, recorded August 27, 1948, in Deed Vol. 224, page 259, records of Klamath County, Oregon, as follows: "Reserving to the state of Oregon all the coal, oil, gas and other minerals in said above described lands, together with the right to prospect for, mine and remove same."

FURTHER SUBJECT TO: Reservations and restrictions contained in the dedication and shown on the plat of The Highlands. Said reservations contained in the dedication are as follows: "... said plat being subject to: Building set-backs, drainage easements and street plugs as shown on the annexed plat; and additional restrictions as provided in recorded protective covenants."

FURTHER SUBJECT TO: Declaration of conditions and restrictions, including the terms and provisions thereof, dated June 6, 1973, recorded July 3, 1973, in Vol. M73, page 8466, Microfilm records of Klamath County, Oregon.

on the following terms and conditions:

The purchase price is Nine Thousand Seven Hundred Fifty Dollars (\$9,750), of which One Thousand Four Hundred Fifty Dollars (\$1,450) has been paid as a downpayment on the execution hereof, the receipt of which is hereby acknowledged, and the Purchasers agree to pay the balance of said purchase price as follows: Eight Thousand Three Hundred Dollars (\$8,300) to be paid to the order of Sellers in monthly installments of not less than One Hundred Five Dollars (\$105) each commencing on the 30 day of July, 1977, and a like payment being due on the 30 day of each month thereafter and continuing until said purchase price

is fully paid. All of said purchase price may be paid at any time; all deferred balances of said purchase price shall bear interest at the rate of eight and one-half percent (8½%) per annum from June 30, 1977 until paid, interest to be paid monthly and being included in the minimum monthly payments above required.

The Purchasers shall be entitled to possession of said premises on June 30, 1977. The real property taxes assessed on said premises shall be paid by the Purchasers as they become due and Purchasers shall provide Sellers with written evidence that said taxes have been paid.

The Purchasers agree to pay one-half of the initial escrow fee and one-half of the costs of preparation of legal documents pertaining to this transaction.

The property has been carefully inspected by the Purchasers and no agreements or representations pertaining thereto, or to this transaction, have been made, save such as are stated herein.

The Purchasers agree to pay before delinquent all assessments which shall hereafter be assessed against the property and any which, as between Sellers and Purchasers hereafter become a lien upon the premises; not to permit waste; and not to use the premises for any illegal purpose. If the Purchasers shall fail to pay before delinquent any such assessments, the Sellers may pay them and the amounts so paid shall be deemed part of the purchase price and be payable forthwith with interest at the rate of eight and one-half percent (8½%) per annum until paid, without prejudice to any other rights of the Sellers by reason of such failure.

The Purchasers assume all risk of taking of the property for a public use and agree that any such taking shall not constitute a failure of consideration, but all monies received by the Sellers by reason thereof shall be applied as a payment on account of the purchase price, less any sums which the Sellers may be required to expend in procuring such monies.

The Sellers agree, upon execution of this contract, to place in escrow at Klamath First Federal Savings & Loan Association, Klamath Falls, Oregon, a warranty deed to the property, free of encumbrances except reservations, restrictions, rights of way of record and those apparent on the land.

This instrument as well as any interest therein or the property described therein shall not be assigned without first obtaining written consent of the Sellers.

It is understood and agreed that if Purchasers have made payments in advance of the execution of this contract, the monthly payments required under this contract shall not become delinquent until said advance payments have been exhausted. Otherwise, time is of the essence hereof, and in the event Purchasers shall fail to pay any amount herein provided within thirty (30) days of the due date thereof, or shall fail to comply with or perform any condition or agreement hereof promptly at the time and in the manner herein required, the Sellers may elect to declare all of the Purchasers' rights hereunder terminated. Upon the termination of the Purchasers' rights, all payments made hereunder and all improvements placed upon the premises shall be forfeited to the Sellers as liquidated damages, and the Sellers shall have the right to re-enter and take possession of the property; and if the Sellers after such forfeiture shall

commence an action to procure an adjudication of the termination of the Purchasers' rights hereunder, the Purchasers agree to pay the expense of searching the title for the purpose of such action, together with all costs and a reasonable attorney's fee.

This contract has been prepared by Crane & Bailey, Attorneys at Law, 325 Main Street, Klamath Falls, Oregon 97601, as attorneys for the Sellers. Purchasers acknowledge that they have been advised of their right to seek separate counsel to advise them in this transaction.

At Purchasers' expense they will insure and keep insured all buildings now or hereafter erected on said premises against loss or damage by fire, with extended coverage, in an amount not less than Eight Thousand Three Hundred Dollars (\$8,300) in a company or companies satisfactory to the Sellers, with loss payable first to the Sellers and then to the Purchasers as their respective interests may appear, and a copy of said policy of insurance shall be delivered as soon as issued to Sellers.

Until a change is requested, all tax statements shall be sent to: Mr. and Mrs. Terry A. Kuhlman  
4322½ Winter Avenue  
Klamath Falls, OR 97601

After recording, return to: Mr. Frank F. Canong  
Barnhisel & Canong  
323 Main Street  
Klamath Falls, OR 97601

IN WITNESS WHEREOF, the parties have executed this contract in triplicate on the date first above written.

JANA McCLAIN and  
JEFF ERLANDSON

LISA ERLANDSON and  
GORDON ERLANDSON

By Gordon O. Erlandson  
Gordon O. Erlandson, their  
Attorney in Fact

By Gordon O. Erlandson  
Gordon O. Erlandson, Trustee

By Adelle Erlandson  
Adelle Erlandson, Trustee

SEILERS

By Terry A. Kuhlman  
Terry A. Kuhlman

By Sherrilee Kuhlman  
Sherrilee Kuhlman

PURCHASERS

STATE OF OREGON )  
 ) ss.  
County of Klamath )

Personally appeared the above named Gordon O. Erlandson and Jeff Erlandson and that the foregoing contract is his voluntary act and deed this 1<sup>st</sup> day of July, 1977.



Mamie L. Card  
Notary Public for Oregon  
My Commission expires: June 4, 1978

STATE OF OREGON       )  
                              ) ss.  
County of Klamath     )

Personally appeared the above named Gordon O. Erlandson and Adelle Erlandson and acknowledged that they are the Trustees for Lisa Erlandson and Gordon Erlandson, and that the foregoing contract is their voluntary act and deed this 21 day of July, 1977.

*William W. Clark*  
Notary Public for Oregon

My Commission expires: June 4, 1978

STATE OF OREGON       )  
                              ) ss.  
County of Klamath     )

Personally appeared the above named Terry A. Kuhlman and Sherrilee Kuhlman, husband and wife, and acknowledged the foregoing contract their voluntary act and deed this 7th day of July, 1977.

*Frank J. Young*  
Notary Public for Oregon

My Commission expires: Feb 27, 1979

*Return to Barnhart & Son*

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Record for XXXXXXXXXXXXXXXXXX

on 11th day of July, A.D. 1977 at 11:16 A.M. in  
County of Deeds, Vol. M77, of 12177

W.D. MILNE, County Clerk

By *Hazel Unazil*

Fee \$12.00