

38-13041 M

32670

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CONTRACT OF SALE

THIS CONTRACT made and entered into this 5th day of August, 1977, by and between G. O. ERLANDSON, hereinafter referred to as "Seller," and JOHN M. YARBROUGH and CAROL A. YARBROUGH, husband and wife, hereinafter referred to as "Purchasers";

W I T N E S S E T H :

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

Lot 2, Block 2 of Tract No. 1067, THE HIGHLANDS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

SUBJECT TO: Reservations and restrictions, including the terms and provisions thereof recorded August 27, 1948, in Book 224 at page 259, Klamath County Deed Records.

FURTHER SUBJECT TO: Restrictions, set back provisions and utility easements, as delineated on the recorded plat, but omitting restrictions, if any, based on race, color, religion or national origin.

FURTHER SUBJECT TO: Covenants, easements and restrictions, but omitting restrictions, if any, based on race, color or national origin, imposed by instrument, including the terms thereof, recorded July 3, 1973, in Book M73 at page 8466.

on the following terms and conditions:

The purchase price is Eleven Thousand Five Hundred Dollars (\$11,500), of which One Thousand Eight Hundred Dollars (\$1,800) 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: Nine Thousand Seven Hundred Dollars (\$9,700) to be paid to the order of Seller in monthly installments of not less than One Hundred Twenty-Five Dollars (\$125) each commencing on the 1st day of September, 1977 and like payment being due on the 1st 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 August 5th, 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 August 5th, 1977. The real property taxes assessed on said premises shall be paid by the Purchasers as they become due and Purchasers shall provide Seller with written evidence that said taxes have been paid.

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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 Seller 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 Seller 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 (8½%) percent per annum until paid, without prejudice to any other rights of the Seller 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 Seller by reason thereof shall be applied as a payment on account of the purchase price, less any sums which the Seller may be required to expend in procuring such monies.

The Seller agrees, 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 therein shall not be assigned without first obtaining written consent of the Seller.

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 Seller 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 Seller as liquidated damages, and the Seller has the right to re-enter and take possession of the property; and if the Seller 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 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 Seller. Purchasers acknowledge that they have been advised of their right to seek separate counsel to advise them in this transaction.

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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 Nine Thousand Seven Hundred Dollars (\$9,700) in a company or companies satisfactory to the Seller, with loss payable first to the Seller 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. John M. Yarbrough
1717 Chinchilla Way
Klamath Falls, Oregon 97601

After recording, return to: Barnhisel & Ganong
323 Main Street
Klamath Falls, Oregon 97601

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

G. O. Erlandson
G. O. Erlandson

John M. Yarbrough
John M. Yarbrough

SELLER

Carol A. Yarbrough
Carol A. Yarbrough

PURCHASERS

STATE OF OREGON)
) ss.
County of Klamath)

Personally appeared the above named G. O. Erlandson and acknowledged the foregoing contract his voluntary act and deed this 5th day of August, 1977.

Kathy B. Mallams
Notary Public for Oregon
My Commission Expires: 6-13-80

STATE OF OREGON)
) ss.
County of Klamath)

Personally appeared the above named John M. Yarbrough and Carol A. Yarbrough, husband and wife, and acknowledged the foregoing contract their voluntary act and deed this 5th day of August, 1977.

Kathy B. Mallams
Notary Public for Oregon
My Commission Expires: 6-13-80

STATE OF OREGON; COUNTY OF KLAMATH;
Filed for record at 10:42
this 8 day of August A.D. 19 77 at 10:42 o'clock A. on Page 14215
 duly recorded in Vol. M 77 of Deeds

W. D. MILNE, County Clerk
Harold Brazil