

36797

Vol. ^M77 Page 18890

LAND SALE CONTRACT

THIS CONTRACT is made as of this 4 day of October, 1977, by DONALD M. SCHOOLER and AGNES J. SCHOOLER, of Klamath County, Oregon, herein called "Seller," and THOMAS P. OWENBY and CINDY L. OWENBY, of Klamath County, Oregon, herein called "Purchaser."

WITNESSES:

THE PROPERTY

1. Seller agrees to sell to Purchaser and Purchaser agrees to purchase from Seller for the price and on the terms and conditions set forth below that certain real property, with all improvements thereon, situated in Klamath County, state of Oregon, which is more particularly described on Exhibit A attached hereto and made a part hereof. Such property is referred to herein as "The Property."

ADDRESS

2. Until a change is requested, all tax statements shall be sent to the following address: Route 1, Box 839, Bonanza, Oregon 97623.

PURCHASE
PRICE AND
PAYMENT

3. Purchaser promises to pay as the total purchase price for the Property the sum of \$28,500. Such amount shall be paid as follows:

3.1. The sum of \$500 which has previously been paid as earnest money, and the sum of \$4,500 which is paid upon execution hereof;

18891

3.2. The remaining balance of \$23,500 shall be paid in monthly installments of not less than \$250 each, including interest at the rate of 8 1/2 percent per annum on the unpaid balances, the first of such instalments to be paid on or before the 1st day of November, 1977, and subsequent instalments to be paid on or before the 1st day of each month thereafter until the entire purchase price, including both principal and interest, is paid in full. Interest on all unpaid balances shall commence on the date hereof. Each payment shall be applied first to interest to date of payment and the balance to principal;

3.3. Notwithstanding the provisions of Paragraph 3.2. above, Purchaser shall make an additional payment of principal in the amount of \$3,000 on May 1, 1979;

3.4. Purchaser is granted the privilege of making additional payments of principal and interest on any due date.

3.5. All payments to Seller hereunder shall be made to Mountain Title Company, 407 Main Street, Klamath Falls, Oregon 97601.

CLOSING

4.1. The sale shall be closed on or before October 3, 1977, the cost of which shall be shared equally by the parties.

18892

4.2. At closing, Purchaser shall pay the amount of cash specified in Section 3.1., above, and Seller shall have received a commitment for the issuance of a purchaser's policy of title insurance, as described in Section 10.

4.3. Seller shall deliver to Mountain Title Company, as escrow agent, the deed described in Section 11, together with suitable instructions authorizing delivery after all payments have been made and all other obligations of Purchaser under this contract have been fulfilled.

TAXES AND LIENS

5. All taxes levied against the Property for the current year shall be prorated between Seller and Purchaser as of the date of closing. Purchaser agrees to pay when due all taxes and assessments which are thereafter levied against the Property and to keep the Property free from all public, municipal and statutory liens which may be thereafter lawfully imposed upon the Property.

POSSESSION

6. Purchaser shall be entitled to possession of the Property from and after October 10, 1977, provided, however, that Seller and Seller's agents may enter upon the Property at reasonable times for the purpose of inspecting the Property.

18893

MAINTENANCE
AND INSURANCE

7. Commencing with the possession date and thereafter at all times during the term of this contract, Purchaser shall, with respect to the Property, do the following:

7.1. Keep all buildings, other improvements and landscape now existing or which shall hereafter be placed on the Property in good condition and repair and not permit any waste or removal thereof, nor make any substantial improvements or alterations without the prior written consent of Seller.

7.2. Promptly comply with all laws, ordinances, regulations, directions, rules and requirements of all governmental authorities applicable to the use or occupancy of the Property, and in this connection promptly make all required repairs, alterations and additions.

7.3. Keep all improvements now existing or which shall hereafter be placed on the property insured against fire and other casualties covered by a standard policy of fire insurance with extended coverage endorsements. The policy shall be written to the full replacement value with loss payable to Seller and Purchaser as their respective interests may appear, and certificates evidencing the

18894

policies shall be delivered to Seller and shall contain a stipulation providing that coverage will not be cancelled or diminished without a minimum of 10 days written notice to Seller. In the event of loss, Purchaser shall give immediate notice to Seller. Seller may make proof of loss if Purchaser fails to do so within 15 days of the casualty.

INDEMNIFICATION
AND LIABILITY
INSURANCE

8.1. Purchaser shall indemnify and defend Seller from any claim, loss or liability arising out of or related to any activity of Purchaser on the Property or any condition of the Property.

8.2. During the term of this contract, Purchaser shall maintain public liability and property damage insurance in a responsible company with limits of not less than \$300,000 for injury to one person and \$300,000 for injury to two or more persons in one occurrence, and \$28,500 for damage to property. Such insurance shall cover all risks arising directly or indirectly out of Purchaser's activities on or any condition of the Property, whether or not related to an occurrence caused or contributed to by Seller's negligence, shall protect Purchaser against the claims of Seller on account of the obligations assumed by

18895

Purchaser under Section 8.1. and shall protect Seller and Purchaser against claims of third persons. Certificates evidencing such insurance shall be furnished to Seller.

COVENANTS
OF SELLER

9. Seller covenants that Seller is the owner of good and marketable title to the Property free of all liens and encumbrances, except easements and restrictions of record and those apparent on the land.

TITLE
INSURANCE

10. Seller shall furnish at Seller's expense a purchaser's title insurance policy in the amount of \$28,500 within 10 days from the date of closing, insuring Purchaser against loss or damage sustained by Purchaser 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, and the exceptions specified in Paragraph 9, above.

DEED

11. Upon payment of the total purchase price for the Property as provided herein, and performance by Purchaser of all other terms, conditions and provisions hereof, Seller shall forthwith deliver to Purchaser a good and sufficient warranty deed conveying the Property free and clear of all liens and encumbrances, excepting those placed upon the

18896

Property or suffered by Purchaser subsequent to the date of this contract and excepting those liens and encumbrances referred to in Paragraph 9, above.

DEFAULT

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

12.11. Purchaser fails to make any payment;

12.12. Purchaser fails to perform any other obligation imposed by this contract and does not correct or commence correction of such failure within 10 days after receipt of written notice from Seller specifying the manner in which Purchaser is in default; or

12.13. Purchaser becomes insolvent, a receiver is appointed to take possession of all or a substantial part of Purchaser's properties, Purchaser makes an assignment for the benefit of creditors or files a voluntary petition in bankruptcy, or Purchaser is subject to an involuntary petition in bankruptcy which is not dismissed within 90 days. If Purchaser consists 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.

12.2. In the event of a default, Seller may take any one or more of the following steps:

18897

12.21. Declare the entire balance of the purchase price and interest immediately due and payable;

12.22. Foreclose this contract by suit in equity.

12.23. Specifically enforce the terms of this contract by suit in equity.

12.24. Declare this contract to be void as of a date not less than 30 days after notice to Purchaser in writing of Seller's intention to do so, unless the performance then due under this contract is tendered or accomplished prior to the time stated. Upon the maturing of such declaration, all of the Purchaser's rights hereunder shall cease without further act by Seller, Seller shall be entitled to immediate possession of the Property and all payments previously made to Seller by Purchaser may be retained by Seller as reasonable rental of the Property up to the time of default.

12.25. Seller shall be entitled to the appointment of a receiver as a matter of right whether or not the apparent value of the Property exceeds the amount of the balance due hereunder, and any receiver appointed may serve without bond. Employment by Seller shall not disqualify a

18838

person from serving as receiver. Upon taking possession of all or any part of the Property the receiver may:

12.251. Use, operate, manage, control and conduct business on the Property and make expenditures for all maintenance and improvements as in its judgment are proper;

12.252. Collect all rents, revenues, income, issues and profits from the Property and apply such sums to the expenses of use, operation and management;

12.253. At Seller's option, complete any construction in progress on the Property, and in that connection pay bills, borrow funds, employ contractors and make any changes in plans or specifications as Seller deems appropriate.

If the revenues produced by the Property are insufficient to pay expenses, the receiver may borrow, from any other lender, such sums as it deems necessary to meet such expenses, and repayment of such sums shall be by this contract. The amounts borrowed or advanced shall bear interest at the same rate as the balance of the purchase price hereunder from the date of expenditure until repaid. Purchaser shall be obligated to the receiver for said sums,

18839

which sums shall be payable by Purchaser on the receiver's demand.

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

REPRESENTATIONS
AND CONDITION
OF PROPERTY

13. Purchaser accepts the land, buildings, improvements and all other aspects of the Property in their present condition, AS IS, including latent defects, without any representations or warranties, expressed or implied, unless they are in writing signed by Seller. Purchaser agrees that he has ascertained, from sources other than Seller, the applicable zoning, building, housing and other regulatory ordinances and laws and that he accepts the Property with full awareness of these ordinances and laws as they may affect the present use or any intended future use of the Property, and Seller has made no representations with respect thereto.

NOTICE

14. 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, add-

18800

ressed to the parties at the addresses set forth below or such other addresses as either party may designate by written notice to the other:

To Seller:

5391 Eastwood Drive
Klamath Falls, Oregon 97601

To Purchaser:

Route 1, Box 839
Bonanza, Oregon 97623

WAIVER

15. 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.

COSTS AND
ATTORNEY FEES

16. 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 attorneys' fees at trial or on appeal of such suit or action, in addition to all other sums provided by law.

SUCCESSOR
INTERESTS

17. This contract shall be binding upon and inure to the benefit of the parties, their successors and assigns,

18901

but no interest of Purchaser shall be assigned, subcontracted or otherwise transferred, voluntarily or involuntarily, without the prior written consent of Seller. Consent by Seller to one transfer shall not constitute consent to other transfers or waiver of this section. Such consent shall not be unreasonably withheld by Seller.

PRIOR
AGREEMENTS

18. This document is the entire, final and complete agreement of the parties pertaining to the sale and purchase of the Property, and supersedes 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.

IN WITNESS WHEREOF the parties hereto have set their names and seals, all as of the day and year first above written.

Thomas P. Owenby
THOMAS P. OWENBY

Cindy L. Owenby
CINDY L. OWENBY

"PURCHASER"

Ronald M. Schooler
DONALD M. SCHOOLER

Agnes J. Schooler
AGNES J. SCHOOLER

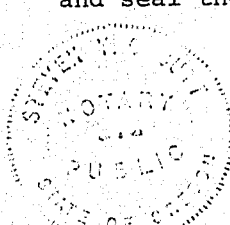
"SELLER"

18302

STATE OF OREGON)
 : ss.
County of Klamath)

On this 30 day of September, 1977,
before me appeared the within named DONALD M. SCHOOLER and
AGNES J. SCHOOLER who are known to me to be the identical
individuals described in and who executed the within instru-
ment, and acknowledged to me that they executed the same
freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand
and seal the day and year last above written.



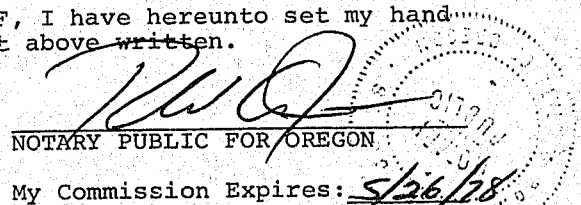
Steven W. Hunt
NOTARY PUBLIC FOR OREGON

My Commission Expires: 8/29/81

STATE OF OREGON)
 : ss.
County of Klamath)

On this 4 day of September, 1977,
before me appeared the within named THOMAS P. OWENBY and
CINDY L. OWENBY who are known to me to be the identical
individuals described in and who executed the within instru-
ment, and acknowledged to me that they executed the same
freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand
and seal the day and year last above written.



W. W. Hunt
NOTARY PUBLIC FOR OREGON

My Commission Expires: 5/26/78

18903

EXHIBIT A

Beginning at the Southwest corner of the NW 1/4 of Section 12, thence East 6 Rods, thence North 80 Rods, thence West 6 Rods, thence South to the place of beginning, being a part of the SW 1/4 of the NW 1/4 of Section 12, in Township 39 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at _____ of _____

this 4th day of October A. D. 1977 at 2:28'clock P.M., or :

tuly recorded in Vol. M77, of Deeds on Page 18890

Wm D. MILNE, County Clerk

By Bernetha H. Letach

Fee \$42.00

EXHIBIT A

3940 SOUTH SIXTH STREET-SUITE 115
KLAMATH FALLS, OREGON 97601
TELEPHONE (503) 852-7712