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THIS AGREEMENT, made and entered into this 28th day of April, 1967, by and between FRANK E. McRAIN, Jr. and BETTY J. McRAIN, husband and wife, hereinafter called Vendors, and WILLIAM L. CALLAGHER and MADINE F. CALLAGHER, husband and wife, hereinafter called Vendees,

WITNESSETH:

Vendors agree to sell to the Vendees and the Vendees agree to buy from the Vendors all of the following described property situate in Klamath County, State of Oregon, to-wit:

PARCEL 1 - Government Lots 3, 4 and 5, and SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 6, Township 37 South, Range 12 East of the Willamette Meridian.

PARCEL 2 - E $\frac{1}{2}$ SW $\frac{1}{4}$ and Government Lots 3 and 4 in Section 30, Township 36 South, Range 12 East of the Willamette Meridian. And Government Lot 1, Section 31, Township 36 South, Range 12 East of the Willamette Meridian.

PARCEL 3 - SE $\frac{1}{4}$ of Section 25, NE $\frac{1}{4}$ of Section 36, ALL in Township 36 South, Range 11 East of the Willamette Meridian.

PARCEL 4 - E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 36, Township 36 South, Range 11 East of the Willamette Meridian.

Subject to: Acreage and use limitations under provisions of the United States Statutes and regulations issued thereunder; All contracts, water rights proceedings, taxes and assessments relating to irrigation, drainage and/or reclamation of said lands; and all rights of way for roads, ditches, canals, conduits, if any of the above there may be; Rights of the public in and to any portion of said premises lying within the limits of public roads and highways; Reservations set forth in Land Status Report recorded January 12, 1959, in Deed Volume 308 at page 471; Easement created by instrument, including the terms and provisions thereof, dated November 2, 1961, recorded January 9, 1962, in Book 335 at page 23, in favor of Pacific Power and Light Company.

NOTE: A portion of the premises is subject to Mortgage to Mike Deely et ux; another portion is subject to Mortgage to Federal Land Bank of Spokane; and another portion is being purchased on a contract of sale wherein W. M. Williams et ux. are vendors. None of said liens are assumed by Vendees and Vendors covenant and agree to hold Vendees harmless therefrom;

at and for a price of \$142,500.00, payable as follows, to-wit:

\$15,000.00 at the time of the execution of this agreement, the receipt of which is hereby acknowledged; \$127,500.00 with interest at the rate of 6% per annum from April 15, 1967, payable in installments of not less than \$13,128.68 per year, inclusive of interest, the first installment to be paid on the 1st day of June, 1969, and a further installment on the 1st day of every June thereafter until the full balance and interest are paid. PROVIDED, HOWEVER, that on June 1, 1968, Vendees will pay the interest which accrues from April 15, 1967 to said date. All or any portion may be prepaid without penalty.

Vendees agree to make said payments promptly on the dates above named to the order of Vendors, or the survivors of them, at the Klamath Falls Branch of First

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DANONG, DANONG
& GORDON
ATTORNEYS AT LAW
KLAMATH FALLS, ORE.

1 National Bank of Oregon, at Klamath Falls, Oregon; to keep said property at all
2 times in as good condition as the same now are, that no improvement now on or
3 which may hereafter be placed on said property shall be removed or destroyed be-
4 fore the entire purchase price has been paid and that said property will be
5 kept insured in companies approved by Vendors against loss or damage by fire in
6 a sum not less than Insurable Value with loss payable to the parties as their
7 respective interests may appear, said policy or policies of insurance to be
8 held by Williams; copies to Vendors and Vendees, that Vendees shall pay regularly
9 and seasonably and before the same shall become subject to interest charges,
10 all taxes, assessments, liens and incumbrances of whatsoever nature and kind
11 and agree not to suffer or permit any part of said property to become subject
12 to any taxes, assessments, liens, charges or incumbrance whatsoever having
13 precedence over the rights of the Vendors in and to said property. Vendees
14 shall be entitled to the possession of said property immediately EXCEPT for the
15 residence house which Vendors may occupy until June 1, 1967.

16 Vendors will on the execution hereof make and execute in favor of Vendees
17 good and sufficient warranty deed conveying a fee simple title to said property
18 free and clear as of this date of all incumbrances whatsoever, except as set
19 forth above, which Vendees assume (EXCEPT said mortgages and contract) and will
20 place said deed together with one of these agreements in escrow at the Klamath
21 Falls Branch of First National Bank of Oregon at Klamath Falls, Oregon, and
22 shall enter into written escrow instructions in form satisfactory to said escrow
23 holder, instructing said escrow holder that when, and if, Vendees shall have
24 paid the balance of the purchase price in accordance with the terms and condi-
25 tions of this contract, said escrow holder shall deliver said instruments to
26 Vendees, but that in case of default by Vendees said escrow holder shall, on
27 demand, surrender said instruments to Vendors.

28 Escrow fees shall be deducted from the first payment made hereunder. The
29 escrow holder may deduct cost of necessary revenue stamps from final payments
30 made hereunder.

31 But in case Vendees shall fail to make the payments aforesaid, or any of
32 them, punctually and upon the strict terms and at the times above specified,

1 or fail to keep any of the other terms or conditions of this agreement, time of
2 payment and strict performance being declared to be the essence of this agree-
3 ment, then Vendors shall have the following rights: (1) To foreclose this con-
4 tract by strict foreclosure in equity; (2) To declare the full unpaid balance
5 immediately due and payable; (3) To specifically enforce the terms of this
6 agreement by suit in equity; (4) To declare this contract null and void, and in
7 any of such cases, except exercise of the right to specifically enforce this
8 agreement by suit in equity, all the right and interest hereby created or then
9 existing in favor of Vendees derived under this agreement shall utterly cease
10 and determine, and the premises aforesaid shall revert and revest in Vendors
11 without any declaration of forfeiture or act of reentry, and without any other
12 act by Vendors to be performed and without any right of Vendees of reclamation
13 or compensation for money paid or for improvements made, as absolutely, fully
14 and perfectly as if this agreement had never been made.

15 Should Vendees, while in default, permit the premises to become vacant,
16 Vendors may take possession of same for the purpose of protecting and preservin-
17 the property and their security interest therein, and in the event possession
18 is so taken by Vendors they shall not be deemed to have waived their right to
19 exercise any of the foregoing rights.

20 And in case suit or action is instituted to foreclose this contract or to en-
21 force any of the provisions hereof, Vendees agree to pay reasonable cost of
22 title report and title search and such sum as the trial court may adjudge reason-
23 able as attorney's fees to be allowed plaintiff in said suit or action, and if
24 an appeal is taken from any judgment or decree of such trial court, the Vendees
25 further promise to pay such sum as the appellate court shall adjudge reasonable
26 as plaintiff's attorney's fees on such appeal.

27 Vendees further agree that failure by Vendors at any time to require perform-
28 ance by Vendees of any provision hereof shall in no way affect Vendors' right
29 hereunder to enforce the same, nor shall any waiver by Vendors of any breach of
30 any provision hereof be held to be a waiver of any succeeding breach of any
31 such provision, or as a waiver of the provision itself.

32 This agreement shall bind and inure to the benefit of, as the circumstances

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1 may require, the parties hereto and their respective heirs, executors,
2 administrators and assigns.

3 WITNESS the hands of the parties the day and year first herein written.

4 [Signature]
5 Ernest J. McLean
6 William L. Gallagher
7 Arthur J. Gallagher

8
9 STATE OF OREGON; COUNTY OF KLAMATH; ss.

10 filed for record at request of Transamerica Title Co.
11 his 14th day of November A. D. 19 77 at 3:45 clock P M., and
12 duly recorded in Vol. M77, of Deeds on Page 22137

13 Wm D. MILNE County Clerk
14 By [Signature]

15 Fee \$12.00

16 Ret. to
17 T A

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