FORM No. 845 CONTRACT—REAL ESTATE—Seller Pays Existing Mortgage or Contract. STEVENS-NESS LAW PUBLISHING CO., PORTLAND, OR. 97204

1-1-74 4109 I A

CONTRACT—REAL ESTATE

Vol. M77 Page 25182

THIS CONTRACT, Made this 30th day of December, 1977, between RONALD E. PHAIR, hereinafter called the seller, and DAVID A. BRUCE, hereinafter called the buyer,

WITNESSETH: That in consideration of the mutual covenants and agreements herein contained, the seller agrees to sell unto the buyer and the buyer agrees to purchase from the seller all of the following described lands and premises situated in Klamath County, State of Oregon, to-wit:

Lot 13 Block 6 SECOND ADDITION TO KELENE GARDENS.

4902 Derby Place

for the sum of Thirty three thousand six hundred forty and no/100 Dollars ($33,640.00), hereinafter called the purchase price, of which $ 200.00 has been paid at the time of the execution hereof, the receipt whereof hereby is acknowledged by the seller; the buyer agrees to pay the balance of said purchase price to the order of the seller at the times and in the amounts as follows, to-wit:

Balance of Thirty three thousand four hundred and forty dollars ($33,440.00) to be paid by a U. S. Veteran guaranteed loan

All of said purchase price may be paid at any time; all of the said deferred payments shall bear interest at the rate of 8 per cent per annum from this date until paid, said interest to be paid ..... and * } in addition to / being included in the minimum regular payments above required. Taxes on said premises for the current fiscal year shall be pro-rated between the parties hereto as of the date of this contract.

The buyer warrants to and covenants with the seller that the real property described in this contract is
*(A) primarily for buyer's personal, family, household or agricultural purposes,
(B) for an organization or (even if buyer is a natural person) is for business or commercial purposes other than agricultural purposes.

The buyer shall be entitled to possession of said lands on Dec. 31, 1977, and may retain such possession so long as he is not in default under the terms hereof. The buyer agrees that at all times he will keep the buildings on said premises, now or hereafter erected, in good condition and repair and will not suffer or permit any waste or strip thereof; that he will keep said premises free from mechanic's and all other liens and save the seller harmless therefrom and reimburse seller for all costs and attorney's fees incurred by him in defending against any such lien; that he will pay all taxes hereafter levied against said property, as well as all water rents, public charges and municipal liens which heretofore or hereafter become due and payable upon said premises, and promptly deliver to seller receipts therefor; that he will keep said premises free from noxious weeds and in farming-like condition; that he will not remove or demolish any building thereon; that he will not use or permit the use of said premises for any unlawful purpose; that, if buyer's expense, he 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 $ 34,000.00 in a company or companies satisfactory to the seller, with loss payable to the seller as his interest may appear, and all policies of insurance to be delivered to the seller as soon as insured. Now if the buyer shall fail to pay any such liens, costs, water rents, taxes, or charges or to procure and pay for such insurance, the seller may do so and any payment so made shall be added to and become a part of the debt secured by this contract and shall bear interest at the rate aforesaid, without waiver, however, of any right arising to the seller for buyer's breach of contract. The word buyer as used herein includes within its meaning a trust.

The said described premises are now subject to a contract or a mortgage (the word mortgage as used herein includes within its meaning a trust deed), recorded in the Deed*, Mortgage*, Miscellaneous* Records of said county in book ..... at page ..... (hereof (reference to which hereby is made) on which the unpaid principal balance at this time is $ ..... and no more, with interest paid to ....., 19....., payable in installments of not less than $ ..... per ..... and to keep the seller agrees to pay all sums due and to become due on said contract or mortgage promptly at the times required for said payments and to keep said contract or mortgage free from default; should any of the installments on said mortgage so paid by the seller include taxes or insurance premiums on said described premises, the buyer agrees on seller's demand forthwith to repay to the seller that portion of said installments so paid applicable to taxes and insurance premiums; should the seller for any reason permit said contract or mortgage to be or become in default, the buyer may pay any sums required by said contract or mortgage to be paid or otherwise perform said contract or mortgage and the buyer shall be entitled to credit for all sums so paid by him against the sums next to become due on the above purchase price pursuant to the terms of this contract.

The seller agrees that at his expense and within ..... days from the date hereof, he will furnish unto buyer a title insurance policy insuring in the amount equal to said purchase price) marketable title in and to said premises in the seller on or subsequent to the date of this agreement, save and except the usual printed exceptions and the building and other restrictions and easements now of record, if any, and the said contract or mortgage. Seller also agrees that when said purchase price is fully paid and upon request and upon surrender of this agreement, he will deliver a good and sufficient deed conveying said premises in fee simple unto the buyer, his heirs and assigns, free and clear of encumbrances as of the date hereof except ing, however, the said easements and restrictions, and the taxes, municipal liens, water rents and public charges so assumed by the buyer and further excepting all liens and encumbrances created by the buyer or assigns.

(Continued on reverse)

*IMPORTANT NOTICE: Delete, by lining out, whichever phrase and whichever warranty (A) or (B) is not applicable. If warranty (A) is applicable and if the seller is a creditor, as such word is defined in the Truth-in-Lending Act and Regulation Z, the seller MUST comply with the Act and Regulation by making required disclosures; for this purpose, use Stevens-Ness Form No. 1308 or similar unless the contract will become a first lien to finance the purchase of a dwelling in which event use Stevens-Ness Form No. 1307 or similar.

Ronald E. Phair
P. O. Box 1684
Klamath Falls, Oregon 97601
SELLER'S NAME AND ADDRESS

David A. Bruce
4902 Derby Place
Klamath Falls, Oregon 97601
BUYER'S NAME AND ADDRESS

After recording, return to:
Ronald E. Phair
P. O. Box 1684
Klamath Falls, Oregon 97601
NAME, ADDRESS, ZIP

Until a change is requested all tax statements shall be sent to the following address.

NAME, ADDRESS, ZIP

SPACE RESERVED FOR RECORDER'S USE

STATE OF OREGON, County of ..... } ss.

I certify that the within instrument was received for record on the ..... day of ....., 19....., at ..... o'clock ... M., and recorded in book ..... on page ..... or as file/reel number ....., Record of Deeds of said county.

Witness my hand and seal of County affixed.

Recording Officer

By ..... Deputy

Recorded DEC 30 1977 5:00 pm

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Time is of the essence of this contract, and in case the buyer shall fail to make the payments above required, or any of them, punctually within ten days of the time limited therefor, or fail to keep any agreement herein contained, then the seller at his option shall have the following rights: (1) to declare this contract null and void, (2) to declare the whole unpaid principal balance of said purchase price with the interest thereon at once due and payable and/or (3) to foreclose this contract by suit in equity, and in any of such cases all rights and interests created or then existing in favor of the buyer as against the seller hereunder shall utterly cease and determine, and the right to the possession of the premises above described and all other rights acquired by the buyer hereunder shall revert to and revest in said seller without any act of re-entry, or any other act of said seller to be performed and without any right of the buyer of return, reclamation or compensation for moneys paid on account of the purchase of said property as absolutely, fully and perfectly as if this contract and such payments had never been made; and in case of such default, all payments theretofore made on this contract are to be retained by and belong to said seller as the agreed and reasonable rent of said premises up to the time of such default. And the said seller, in case of such default, shall have the right immediately, or any time thereafter, to enter upon the land aforesaid, without any process of law, and take immediate possession thereof, together with all the improvements and appurtenances thereon or thereto belonging.

The true and actual consideration paid for this transfer, stated in terms of dollars, is $ 33,640.00 ①However, the actual consideration consists of or includes other property or value given or promised which is the whole part of the consideration (state which).①

The buyer further agrees that failure by the seller at any time to require performance by the buyer of any provision hereof shall in no way affect his right hereunder to enforce the same, nor shall any waiver by said seller of any breach of any provision hereof be held to be a waiver of any succeeding breach of any such provision, or as a waiver of the provision itself. In case suit or action is instituted to foreclose this contract or to enforce any of the provisions hereof, the buyer agrees to pay such sum as the trial court may adjudge reasonable as attorney's fees to be allowed plaintiff in said suit or action and if an appeal is taken from any judgment or decree of such trial court, the buyer further promises to pay such sum as the appellate court shall adjudge reasonable as plaintiff's attorney's fees on such appeal. In construing this contract it is understood that the seller or the buyer may be more than one person; that if the context so requires, the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine and the neuter, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

IN WITNESS WHEREOF, said parties have executed this instrument in duplicate. If either of the undersigned is a corporation, it has caused its corporate name to be signed and its corporate seal affixed hereto by its officers duly authorized thereunto by order of its board of directors.

Edward E. Shaw — David A. Bruce

NOTE—The sentence between the symbols ①, if not applicable, should be deleted. See ORS 93.030).

STATE OF OREGON, }
} ss.
County of) , 19

Personally appeared the above named ..... and acknowledged the foregoing instrument to be ..... voluntary act and deed.

Before me: (OFFICIAL SEAL)
Notary Public for Oregon
My commission expires 6-13-80

STATE OF OREGON, County of) ss.
, 19

Personally appeared ..... and ..... who, being duly sworn, each for himself and not one for the other, did say that the former is the president and that the latter is the secretary of ....., a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed.

Before me: (OFFICIAL SEAL)
Notary Public for Oregon
My commission expires:

(DESCRIPTION CONTINUED)

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record ~~at request of~~ .....

this 30th day of December A. D. 1977 at 5:08 o'clock P.M., and duly recorded in Vol. M77, of Deeds on Page 25182

Wm D. MILNE, County Clerk
By Rosemary A. Pelach

Fee $8.00