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MTC 11712-13  
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THIS CONTRACT, Made this 30th day of January, 1978, between G. P. WU & SON, INC., an Oregon Corporation, and GEORGE CROSS and ROSE CROSS, husband and wife, hereinafter called the seller, and THAD CHESNUT and KATHERINE RAE CHESNUT, husband and wife, 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:

Lots 20, 21, 30, 31 and 40 of Section 16 and the W $\frac{1}{2}$ W $\frac{1}{2}$ SW $\frac{1}{4}$  and SW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 15, Township 35 South, Range 7 East of the Willamette Meridian, subject to easements, restrictions, reservations and rights-of-way apparent upon the land, and

(1) rights of the public in and to any portion of the herein described premises lying within the boundaries of streets, roads, or highways,

(2) the premises herein described are within and subject to the statutory powers, including the power of assessment, of Modoc Irrigation District,

(3) Rights of the public and of governmental bodies in and to that portion of the premises herein described lying below the high water mark of the Williamson River,

(4) Reservations contained in instrument recorded January 7, 1935 in Volume 104, page 156, Deed Records of Klamath County, Oregon, to-wit: "Reserved from the lands hereby allotted, a right-of-way thereon for ditches or canals constructed by the authority of the United States. Also subject to such rights for railroad purposes as the Oregon Eastern Railway Company may have,"

(5) Reservations contained in instrument recorded in Volume 183, page 347, Deed Records of Klamath County, Oregon, to-wit: "Subject to railroad right-of-way of Southern Pacific Company, and roads and canals, as the same exists on the ground,"

(6) Right-of-way created by instrument, including the terms and provisions thereof, dated August 23, 1962, recorded September 11, 1962, in Volume 340, page 112, Deed Records of Klamath County, Oregon, in favor of Pacific Power & Light Company, a Maine Corporation; for transmission and distribution lines, affects: no location given,

(7) Agreement, including the terms and provisions thereof, between the Assistant Secretary of the Interior and Modoc Point Irrigation Project, recorded December 9, 1965 in Volume M-65, page 4479, Microfilm Records of Klamath County, Oregon, and

(8) Right-of-way created by instrument, including the terms and provisions thereof, recorded May 7, 1973, in Volume M-73, page 5486, Microfilm Records of Klamath County, Oregon, in Pacific Power & Light Company, a corporation, for transmission and distribution lines, affects: exact location not disclosed,

for the sum of SIXTY-SEVEN THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$67,500.00) (hereinafter called the purchase price), on account of which NINETEEN THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$19,500.00) is paid on the execution hereof (the receipt of which is hereby acknowledged by the seller); the buyer agrees to pay the remainder of said purchase price (to-wit: FORTY-EIGHT THOUSAND AND NO/100 DOLLARS (\$48,000.00)) to the order of the seller in monthly payments of not less than FOUR HUNDRED FIFTY-EIGHT AND 72/100 DOLLARS (\$458.72) payable on the 30th day of each month hereafter beginning with the month of February, 1978, and continuing until said purchase price is fully paid. That in addition to the monthly payments herein required buyer may pay any part or all of the principal balance due hereunder at any time without penalty. All deferred balances of said purchase price shall bear interest at the rate of eight (8%) per cent per annum from January 30th 1978, until paid, interest to be paid monthly and is included in the minimum monthly payments above required. Taxes on said premises for the current tax year shall be prorated 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 primarily for buyer's personal, family, household or agricultural purposes.

The buyer shall be entitled to possession of said lands on the date of execution of this contract, and may retain such possession so long as he is not in default under the terms of this contract. 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 liens; that he will pay all taxes hereafter levied against said property, as well as all water rents, public charges and municipal liens which hereafter lawfully may be imposed upon said premises, all promptly before the same or any part thereof become past due; that at 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 full insurable value in a company or companies satisfactory to the seller, with loss payable first to the seller and then to the buyer as their respective interests 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 seller agrees that at his expense and within thirty days from the date hereof, he will furnish unto buyer a title insurance policy insuring (in an amount equal to the 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.

That the parties hereto shall place this agreement, along with a good and sufficient warranty deed conveying said premises in fee simply unto the buyer, his heirs and assigns, free and clear of all encumbrances, except those enumerated hereinabove and those liens and encumbrances created by the buyer, or his assigns, into a collection escrow with Mountain Title Company, 407 Main Street, Klamath Falls, Oregon, as the escrow holder, with appropriate instructions regarding the payments provided for hereunder, their application and disposition and the disposition of the documents to be placed in escrow.

And it is understood and agreed between said parties that time is of the essence of this contract and in case the buyer shall fail to make the