

A-28957

1 THIS CONTRACT OF SALE Made this 1st day of May, 1978, between  
 2 WM. V. MEADE and WM. JACK MEADE, as Initial Trustees of Inter Vivos Trust  
 3 dated September 15, 1976 and LOIS M. BROWNFIELD, or the survivor of them,  
 4 as to an undivided 15.5/48ths interest, and FRANCES MARIE MORRIS, as to an  
 5 undivided 32.5/48ths interest, hereinafter called "Vendor", and CITIZENS  
 6 SAVINGS and LOAN ASSOCIATION, an Oregon Corporation, hereinafter called  
 7 "Purchaser";

8  
 9 W I T N E S S E T H:  
 10

11 Vendor agrees to sell to Purchaser and Purchaser hereby agrees to buy  
 12 from Vendor, at the price and on the terms, covenants, conditions and pro-  
 13 visions hereinafter contained, all of the following described property  
 14 situate in the County of Klamath, State of Oregon, more particularly described  
 15 as follows:

16  
 17 A parcel of land situated in Lot 5 Block 39 "Linkville" more particularly  
 18 described as follows:

19  
 20 Beginning at the most Westerly corner of Lot 5 of said Block 39,  
 21 thence from said point of beginning S50°50'E along the Southwesterly  
 22 line of said Lot 5 112.25 feet to a point, thence N39°05'E parallel  
 23 to the Southeasterly line of said Lot 5 25.09 feet to the center of  
 24 an existing building wall, thence N50°55'W parallel to the South-  
 25 westerly line of said Lot 5 and along the center of said building  
 26 wall 112.25 feet to a point on the Northwesterly line of said Lot 5,  
 27 thence S39°05'W along the Northwesterly line of said Lot 5 25.09  
 28 feet to the point of beginning.

29  
 30 Together with an easement 3.00 feet in width for purposes of ingress  
 31 and egress and maintenance purposes more particularly described as  
 32 follows:

33  
 34 Beginning at a point on the Southwesterly line of said Lot 5, from  
 35 which the most Westerly corner of Lot 5 bears N50°55'W 112.25 feet,  
 36 thence from said point of beginning N39°05'E parallel to the South-  
 37 easterly line of said Lot 5 25.09 feet, thence S50°55'E parallel to  
 38 the Southwesterly line of said Lot 5 3.00 feet, thence S39°05'W  
 39 parallel to the Southeasterly line of said Lot 5 25.09 feet to the  
 40 Southwesterly line of said Lot 5, thence N50°55'W along the South-  
 41 westerly line of said Lot 5 3.00 feet to the point of beginning.

42  
 43 SUBJECT TO: Assessments and changes of the City of Klamath Falls,  
 44 Oregon for sewer service; Resolution No. 2583 from the City of  
 45 Klamath Falls, Oregon, granting an encroachment permit dated March 6,  
 46 1978, recorded March 8, 1978, recorded in Vol. M-78, page 4399,  
 47 Records of Klamath County, Oregon; Party Wall Agreement dated 1st  
 48 May, 1978, recorded in Vol. M-78, page 8608, Records of Klamath  
 49 County, Oregon; rights of way of record and apparent thereon.

50  
 51 1. Purchase Price and Terms of Payment: The purchase price of the  
 52 property, which Purchaser agree to pay, is the sum of \$115,000.00. The  
 53 purchase price is payable as follows:

54  
 55 a. Down Payment: \$23,000.00 down payment, receipt of which is  
 56 hereby acknowledged.

57  
 58 b. Deferred Balance: \$92,000.00 deferred balance payable in monthly  
 59 installments as follows:

60  
 61 (1) First 24 months or occupancy: Interest only in the amount  
 62 of \$651.67 payable in monthly installments commencing on the 1st  
 63 day of June, 1978, and on the 1st day of each month thereafter  
 64 for a total of twenty-four such installments, unless Purchaser  
 65 should occupy said premises before twenty-four months after  
 66 June 1, 1978.

GIACOMINI, JONES & ZAMSKY, ATTORNEYS AT LAW A PROFESSIONAL CORPORATION, KLAMATH FALLS, OREGON

(2) Principal and Interest Installments: In monthly installments of \$905.98, inclusive of principal and interest, commencing on or before June 1, 1980, and on the 1st day of each month thereafter until the full sum of principal and interest is paid. The date of payment of the monthly installments of \$905.98 shall be earlier than June 1, 1980, if Purchaser occupies the building on said real property prior to June 1, 1980, and, in such event, the first installment of \$905.98 shall become due and payable on the 1st day of the month immediately following the date of occupancy of the building by Purchaser.

c. Rate of Interest: The rate of interest is fixed at 8.5% per annum simple interest on declining balances. Interest commences on May 1, 1978.

2. Payments to Escrow Holder: All installments due Vendor from Purchaser under this Contract shall be paid without demand to the Escrow Holder hereinafter named. All such installments received shall be applied first to interest accrued to the date of receipt and then applied to reduce principal.

3. Prepayment: From and after January 1, 1979, Purchaser may increase any installment or prepay all or any part of the whole consideration together with interest thereon to the date of any such payment. No partial payment, increased installment or payment for a partial conveyance by reason of the eminent domain provisions of this Contract, shall be credited in lieu of any regular future installment, nor excuse Purchaser from making the regular installments specified in this Contract.

4. Nature of Estate Sold and Lien Created by this Contract: The real property above described hereby sold to Purchaser, includes, all and singular, the tenements, hereditaments, rights, easements, privileges and appurtenances thereunto belonging or in anywise appertaining, improvements thereon. The Vendor's lien created by this Contract shall and does hereby include the real property above described, together with all and singular, the tenements, hereditaments, rights, easements, privileges and appurtenances thereunto belonging or in anywise appertaining, and all improvements now or hereafter thereon. In addition, Purchaser hereby agrees that the lien created by this Contract is superior to any and all rights to Purchaser under and by virtue or any homestead, stay, or exemption laws now in force or which may hereafter become law.

5. Division of Wall as Party Wall: The division wall between the real property described herein and the lot immediately adjoining it on the East, to-wit:

Lot 5, Block 39, "Linkville", less that portion described as follows:

Beginning at the most Westerly corner of Lot 5 of said Block 39, thence from said point of beginning S50°50'E along the Southwesterly line of said Lot 5 112.25 feet to a point, thence N39°05'E parallel to the Southeasterly line of said Lot 5 25.09 feet to the center of an existing building wall, thence N50°55'W parallel to the Southwesterly line of said Lot 5 and along the center of said building wall 112.25 feet to a point on the Northwesterly line of said Lot 5, thence S39°05'W along the Northwesterly line of said Lot 5 25.09 feet to the point of beginning.

Together with an easement 3.00 feet in width for purposes of ingress and egress and maintenance purposes more particularly described as follows:

Beginning at a point on the Southwesterly line of said Lot 5, from which the most Westerly corner of Lot 5 bears N50°55'W 112.25 feet, thence from said point of beginning N39°05'E parallel to the Southeasterly line of said Lot 25.09 feet, thence S50°55'E parallel

1 to the Southwesterly line of said Lot 5 3.00 feet, thence S39°05'W  
 2 parallel to the Southeasterly line of said Lot 5 25.09 feet to the  
 3 Southwesterly line of said Lot 5, thence N50°55'W along the South-  
 4 westerly line of said Lot 5 3.00 feet to the point of beginning.  
 5

6 is declared by the parties hereto to be a party wall, and the parties  
 7 hereto agree that this instrument shall be deemed to establish the following  
 8 mutual rights to said wall, namely: both Vendor and Purchaser shall have  
 9 cross easements in the wall and the wall shall be used for the joint  
 10 purposes of the buildings separated by it; subject to the Vendor's lien  
 11 created by this Contract. Contemporaneously herewith, the parties agree  
 12 to enter into a written Party Wall Agreement for placement into the escrow  
 13 provided for in paragraph 6 below.  
 14

15 6. Escrow of Contract and Related Documents: Vendor will, upon  
 16 execution hereof, make and execute in favor of Purchaser, a good and  
 17 sufficient Warranty Deed conveying said real property to Purchaser free  
 18 and clear of all encumbrances except the exceptions above set forth.  
 19 Vendor will, within a reasonable time after the execution hereof, place  
 20 said Deed, the Party Wall Agreement, and the original of this Contract  
 21 in escrow with Klamath Falls Branch of United States National Bank of Oregon  
 22 (herein called "Escrow Holder") with instructions to said Escrow Holder  
 23 to, when and if the Purchaser shall have paid the balances of the purchase  
 24 money and interest as above specified and shall have complied with all  
 25 other terms and conditions of this Contract, deliver the same to Purchaser  
 26 subject to the printed conditions and provisions of the standard form of  
 27 escrow instructions provided by said Escrow Holder.  
 28

29 7. Title Insurance: Vendor shall furnish, at his own expense, a  
 30 Purchaser's Title Insurance Policy issued by Klamath County Title Company  
 31 under its Order No. A-28975 insuring Purchaser's title in the above  
 32 described real property in the amount of \$115,000.00, subject to the  
 33 conditions and exceptions contained in the title policy issued by said  
 34 title insurance company.  
 35

36 8. Possession, Maintenance, Taxes etc.: Purchaser shall take  
 37 possession of the real property and building as provided in paragraph 1  
 38 above. Purchaser shall keep said real property and building in the same  
 39 condition as the same now are, or as later improved. Purchaser may, at his  
 40 own expense, make such improvements, alterations, renovations, changes,  
 41 and repairs to the building as Purchaser may desire, PROVIDED, HOWEVER,  
 42 that this provision shall in no way obligate Vendor for the same nor  
 43 subordinate Vendor's lien to the cost of the same. Purchaser shall:  
 44 commit no waste or otherwise damage or injure said building; maintain the  
 45 real property and building in accordance with the laws, ordinances, and  
 46 regulations of any constituted authority applying to the same and to  
 47 make no unlawful use thereof; pay regularly and seasonably, and before the  
 48 same shall become delinquent, all taxes, assessments, and charges of  
 49 whatever nature levied and assessed against said real property or building;  
 50 and shall not permit any lien or other encumbrances to be filed upon or  
 51 placed against said real property or building without the written consent  
 52 of Vendor, and, to the extent placed thereon, to discharge the same  
 53 promptly. If Purchaser should fail to pay or discharge any taxes, assess-  
 54 ments, liens, encumbrances, or charges, Vendor, at his option and without  
 55 waiver of default or breach of Purchaser, and without being obliged to do  
 56 so, may pay or discharge all or any part thereof, all of which said sums  
 57 so paid by Vendor shall become repayable by Purchaser, together with  
 58 interest at the rate of ten (10%) percent per annum, from date of payment  
 59 or discharge by Vendor, upon demand, payment of which is part of the  
 60 performance of this Contract by Purchaser and a condition precedent to  
 61 delivery of the Warranty Deed and other documents by the Escrow Holder.  
 62

63 9. Insurance of Buildings and Improvements: Purchaser agrees to  
 64 keep the buildings and improvements now on or hereafter placed upon the  
 65 above described real property insured against loss by fire or other casualty  
 66 in an amount not less than maximum insurable value as determined by the  
 insurance carrier and shall obtain, at his own expense, said insurance with  
 Contract of Sale

1 an endorsement thereon providing for loss payable to Vendor and Purchaser  
 2 as their respective interests may appear, in the same manner and form as  
 3 is provided any secured party by such insurance carrier. The policy or  
 4 policies of insurance shall be delivered to Vendor or, in lieu thereof, a  
 5 certificate of such insurance may be provided by Purchaser and delivered  
 6 to Vendor. If a loss should occur for which insurance proceeds shall become  
 7 payable, the Purchaser may elect to either rebuild or repair the portion  
 8 of the building so destroyed, or apply the proceeds toward payment of the  
 9 then unpaid balance of the deferred balance. If the Purchaser elects to  
 10 rebuild or repair, he shall sign such documents as may be required by Vendor  
 11 to guarantee the application of the insurance proceeds to the cost of such  
 12 rebuilding or repair.

14 10. Eminent Domain: In the event any governmental agency or entity  
 15 having the power of eminent domain acquires by eminent domain or by  
 16 negotiated sale in lieu of eminent domain all, or any portion, of the  
 17 real property described in this Contract, Vendor may require Purchaser to  
 18 apply all proceeds received by Purchaser from such acquisition (remaining  
 19 after payment by Purchaser of attorneys fees, appraiser fees and related  
 20 necessary and reasonable costs in connection with securing said proceeds),  
 21 which proceeds are hereinafter called "net proceeds", toward the payment  
 22 of the sums secured by this Contract. Upon receipt of said net proceeds,  
 23 Purchaser shall notify Vendor of the amount of said net proceeds and  
 24 Vendor shall, within sixty (60) days after such notification, notify  
 25 Purchaser in writing if Vendor elects to have said net proceeds applied  
 26 toward payment of the sums secured by this Contract. If Vendor fails to  
 27 so notify Purchaser of such election, Vendor shall conclusively be deemed  
 28 to have elected not to require Purchaser to apply said net proceeds toward  
 29 the sums secured by this Contract. If Vendor elects to have said net  
 30 proceeds applied toward payment of the sums secured by this Contract, the  
 31 amount to be received by Vendor shall not exceed the total of the principal  
 32 plus accrued interest to the date of receipt thereof by Vendor, and all  
 33 such sums shall be paid to the Escrow Holder named herein. Regardless  
 34 of whether Vendor elects to have said net proceeds applied to the sums  
 35 secured by this Contract, Vendor will join in any conveyance required by  
 36 the governmental agency or entity acquiring a portion or all of the real  
 37 property described herein by eminent domain, but Vendor shall not be  
 38 required to partially convey more property than that which is acquired by  
 39 such governmental agency or entity. Vendor shall not be obligated to  
 40 participate in any negotiations with such governmental agency or entity.

42 11. Vendor's Defense of Security: Vendor may appear in or defend  
 43 any action or proceeding at law, in equity or in bankruptcy affecting  
 44 in any way, the security hereof and, in such event, Vendor shall be allowed  
 45 and paid, and Purchaser hereby agrees to pay, all costs, charges and expenses,  
 46 including costs of evidence of title or validity and priority of the security  
 47 and attorney fees in a reasonable sum, incurred in any such action or pro-  
 48 ceeding in which Vendor may appear, which shall bear interest at ten (10%)  
 49 percent from the date of demand therefor. Failure of Purchaser to pay  
 50 Vendor for such costs, charges and expenses within ninety (90) days from  
 51 date of demand therefor shall constitute a breach of this Contract.

53 12. Default of Purchaser: The following shall constitute a default  
 54 of Purchaser:

56 a. Failure to Make Payments: Failure of Purchaser to make payments  
 57 as herein provided and if said failure shall continue for more than  
 58 thirty (30) days after the payment becomes due. The acceptance of  
 59 any sum secured by this Contract after its due date shall not con-  
 60 stitute a waiver of Vendor's right either to require prompt payment  
 61 when due of all other sums so secured or to seek any remedy provided  
 62 for herein.

64 b. Failure to Perform Covenants: Failure of Purchaser to perform  
 65 any covenants or conditions of this Contract (other than failure to  
 66 make payments as provided in the preceding sentence) after thirty

(30) days written notice of such failure and demand for performance.

13. Remedies: If Purchaser shall be in default as above provided, Vendor shall have the following cumulative rights:

a. Foreclosure: To foreclose this Contract by strict foreclosure in equity.

b. Acceleration: To declare the full unpaid balance of the purchase price immediately due and payable.

c. Specific Performance: To specifically enforce the terms of this Contract by suit in equity.

14. Time is of the Essence: Time is expressly made the essence of this Contract.

15. Receivership: In the event any suit or action is commenced because of any default of Purchaser, the court having jurisdiction of the case may, upon motion by Vendor, appoint a receiver to collect the rents and profits arising out of the above described real property and to take possession, management and control of the same during pendency of such proceeding or until payment of the obligations hereby secured and apply said rents and profits to the payment of the amount due hereunder, first deducting all profit, charges and expenses attending the execution of said receivership.

16. Title Reports, etc.: In the event any suit or action is commenced because of any default by Purchaser, there shall become due, and Purchaser agrees to pay to Vendor, in addition to all statutory costs and disbursements, any amount Vendor may incur or pay for any title report, title search, insurance of title or other evidence of title subsequent to the date of this Contract on any of the real property above described and this Contract shall be security for the payment thereof.

17. Prevailing Party Attorney's Fees: In the event any suit or action is instituted by either party against the other relating to any provision of this Contract, the prevailing party, at trial or on appeal, shall be entitled to such reasonable attorney fees as shall be fixed by the court having jurisdiction of the case, in addition to statutory costs and disbursements.

18. No Oral Modification Binding: This Contract contains the full understanding of the parties with respect to the subject hereof and no modification hereof shall be given effect unless the same be in writing subscribed by the parties hereto or their successors in interest.

19. No Waiver of any Provision: No waiver by Vendor of any breach of any covenant of this Contract shall be construed as a continuing waiver of any subsequent breach of such covenant, nor as a waiver of any breach of any other covenant, nor as a waiver of the covenant itself.

20. Binding Effect: This Contract shall bind and inure to the benefit of, as the circumstances may require, the parties hereto and their respective successors, heirs, executors, administrators and assigns.

21. Notice: Where notice in writing is required by either party to the other, such notice shall be deemed given when the same is deposited in the United States Postal Service as registered mail, addressed to the last address of the party to whom notice is to be given as shown on the records of the Escrow Holder.

22. Construction of Contract: In construing this Contract, the following shall control:

a. Prepared by both Parties: This Contract shall be construed as though prepared by both parties and shall be governed by the laws of the State of Oregon.

b. Singular, Plural and Gender: All words used herein in the singular number shall extend to and include the plural. All words used in the plural number shall extend to and include the singular. All words used in any gender shall extend to and include all genders.

c. Paragraph Headings for Convenience Only: Paragraph headings are for convenience only and shall not be used in construing the covenants, terms and provisions of this Contract.

WITNESSETH the hands of the parties hereto as of the date first above set forth, the corporate party pursuant to a resolution of its Board of Directors.

VENDOR

PURCHASER

CITIZENS SAVINGS AND LOAN ASSOCIATION

Wm. V. Meade  
Wm. V. Meade

By Paul D. William  
President

Wm. Jack Meade  
Wm. Jack Meade

By Melissa Laum  
Assistant Secretary

As Initial Trustees of Inter Vivos  
Trust dated September 15, 1976.

(CORPORATE SEAL)

Lois M. Brownfield  
Lois M. Brownfield

Frances Marie Morris  
Frances Marie Morris

50 STATE OF OREGON )

51 ) ss.

52 County of Klamath )

53 On the 1st day of May, 1978, personally appeared the above  
54 named WM. V. MEADE, WM. JACK MEADE, and LOIS M. BROWNFIELD and acknowledged  
55 the foregoing instrument to be their voluntary act and deed.

Before me:

61 (SEAL)

[Signature]  
Notary Public for Oregon  
My commission expires: 8-5-79

1 STATE OF Oregon )  
2 ) ss.  
3 County of Eaton )  
4 )

5 On the 15 day of April, 1978, personally appeared FRANCES  
6 MARIE MORRIS and acknowledged the foregoing instrument to be her voluntary  
7 act and deed.

Before me:

Michael H. White  
Notary Public for Oregon Oregon  
My commission expires: \_\_\_\_\_

RECEIVED  
Notary Public for Oregon  
(My Commission Expires \_\_\_\_\_)

12 (SEAL)

GIACOMINI, JONES & ZAMSKY, ATTORNEYS AT LAW  
A PROFESSIONAL CORPORATION, KLAMATH FALLS, OREGON

25 STATE OF OREGON )  
26 ) ss.  
27 County of Klamath )  
28 )

29 On the 1st day of May, 1978, personally appeared PAUL D.  
30 WILLIAMS and MELISSA ROEMER, who, being duly sworn, each for himself  
31 and not one for the other, did say that the former is the president and  
32 that the latter is the assistant secretary of CITIZENS SAVINGS AND LOAN  
33 ASSOCIATION, a corporation, and that the seal affixed to the foregoing  
34 instrument is the corporate seal of said corporation and that said instrument  
35 was signed and sealed in behalf of said corporation by authority of its board  
36 of directors; and each of them acknowledged said instrument to be its voluntary  
37 act and deed.

Before me:

Return to:  
KCTCo

Mail to: Statements  
to: Citizens Sav Loan Assoc  
P.O. Drawer "A"  
Medford, Or 97501

Sumner J. Jones  
Notary Public for Oregon  
My commission expires: 8.579

41 (SEAL)

ALL OF OREGON; COUNTY OF KLAMATH; ss.  
led for record at request of Klamath County Title Co.  
on 1st day of May A. D. 19 78 at 3:26 o'clock P M., and  
duly recorded in Vol. 178, of Deeds Page 5612