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MT 6291
CONTRACT OF SALE.

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THIS AGREEMENT, Made this 1st day of March, 1978, by and between ROBERT D. PUCKETT, hereinafter called Seller, and DOUGLAS J. PUCKETT, hereinafter called Purchaser;

WITNESSETH:

WHEREAS, Seller and Purchaser are father and son and have been engaged in a farming operation on Seller's Ranch at Keno, Klamath County, Oregon; and

WHEREAS, Seller desires to sell and Purchaser desires to purchase a portion of Seller's holdings in said ranch; and

WHEREAS, The parties have agreed that due to the failure of the soils to produce because of the dredging operations of the Pacific Power and Light Company, said lands are not worth in excess of \$600.00 per acre, and based upon the approximate acreage of 220 acres, the parties agree as follows:

In consideration of the covenants herein exchanged between the parties, and in consideration of the sum of \$132,000.00 to be paid by Purchaser as hereinafter provided, Seller agrees to sell unto Purchaser and Purchaser agrees to buy the following-described real property situated in the County of Klamath, State of Oregon, to-wit:

PARCEL I:

All that portion of Section 31, T.39 S., R.8 E., W.M. lying northeasterly of the Klamath River and southeasterly and southwesterly of the easterly and southerly rights-of-way of Oregon State Highway No. 66 as the same is presently located and constructed.

PARCEL II:

A portion of the SW $\frac{1}{4}$ -NE $\frac{1}{4}$, NE $\frac{1}{4}$ -SE $\frac{1}{4}$, and NW $\frac{1}{4}$ -SE $\frac{1}{4}$ of Section 31, T.39 S., R.8 E., W.M. more particularly described as follows:

Beginning at the intersection of Old Klamath Falls-Ashland Highway and the new Highway as now located; thence Northeasterly along the Northerly right of way line of the new Klamath Falls-Ashland Highway to its intersection with the Southerly right of way line of the Clover Creek County Road; thence Northwesterly along said Southerly line to its intersection with the Southerly right of way line of the Old Highway; thence Southwesterly along said Southerly line to the point of beginning.

PARCEL III:

All that portion of Section 6, T.40 S., R.8 E., W.M. lying northerly of the Klamath River,

PARCEL IV:

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A portion of Lot 9, Section 5, T.40 S., R.8 E., W.M. described as follows:

Beginning at the Northwest Corner of Section 5, T.40 S., R.8 E., W.M. which point is also the Northwest corner of Lot 9; thence South along the west line of Section 5 to the northerly bank of the Klamath River; thence S 84° 30' E 1044.3 foot to a point; thence N 4° W 1063.9 foot, more or less, to the North boundary of Section 5; thence West along the North boundary of Section 5 to the point of beginning.

EXCEPTING THEREFROM all easements and/or rights-of-way of record or apparent on the premises with specific reference being made to the right-of-way of the Weyerhaeuser Company haul road.

FURTHER EXCEPTING Therefrom all that portion lying West or North of Highway 66, and FURTHER EXCEPTING

A parcel of land situated in T39S, R8E, Section 31 and T40S, R8E, Section 6 more particularly described as follows:

Beginning at a point on the Easterly right of way of Highway 66 (Green Springs Highway), from which the Southeast corner of said Section 31 bears S78°32'17"E 4025.34 feet, thence from said point of beginning Northeasterly along the Easterly right of way line of said Highway 66 the following two courses:

N31°08'57"E 976.14 feet, thence along the arc of a 1392.40 feet radius curve to the right ($\Delta = 06°28'00"$ chord = N34°22'57"E 157.07 feet) 157.15 feet, thence leaving said Easterly right of way line of said Highway 66 S44°00'11"E 763.63 feet to a 5/8" iron pin, thence S32°44'20"E 358.44 feet to a 5/8" iron pin, thence S28°26'27"E 373.65 feet to a 5/8" iron pin, thence S23°11'48"E 1231.74 feet to a 5/8" iron pin, thence S66°45'23"W 809.13 feet to the Mean High Water Line of the Klamath River, thence Northwesterly along the Mean High Water Line to the said Klamath River the following ten bearings and distances: N20°05'12"W 184.88 feet, N27°59'43"W 318.22 feet, N23°33'53"W 480.79 feet, N29°34'22"W 222.65 feet, N41°35'28"W 128.40 feet, N52°33'18"W 300.06 feet, N54° 45'49"W 193.57 feet, S74°27'22"W 47.87 feet to a 5/8" iron pin, N56°11'14"W 98.01 feet to a 5/8" iron pin, N38°04'07"W 184.13 feet to the point of beginning.

SUBJECT To Reservations and restrictions of record, and easements and rights-of-way of record and those apparent on the land.

SUBJECT Also, to a certain mortgage to the Department of Veterans Affairs, wherein the Seller is mortgagee, which said mortgage the Seller agrees to pay according to the terms and provisions thereof.

The purchase price for said property, as heretofore set forth is \$132,000.00, \$32,000.00 of which is evidenced by promissory note of even date, receipt of which is hereby acknowledged by the Seller, and the balance of \$100,000.00 shall bear interest

at the rate of 6% per annum on the deferred balance, and for a period of 24 months, Purchaser shall pay annually from the date of execution hereof, the sum of \$6,000.00 (interest only on the deferred balance), and each year, commencing on March 1, 1981, the payments shall be in the sum of \$8,127.85, including interest at 6% per annum on the deferred balance, with a like payment on the same day of each year thereafter until the entire purchase price, both principal and interest, is paid in full.

It is understood between the parties hereto that the Purchaser pay for a period of twenty-five years, with the principal being amortized over the last twenty-three years of said period. Therefore, the final payment may be more or less, depending upon the time of prior payments or prepayment, as the case may be.

After January 1, 1980, Purchaser shall have the right to prepay on this Contract without penalty, with the payments being applied first to accrued interest and the balance to principal.

Purchaser can prepay at any time thereafter, but no increased payments shall be credited in lieu of any regular future payment nor excuse Purchaser from making the regular installments specified in this Contract, until the whole sum, both principal and interest is paid in full.

Purchaser acknowledges that he has farmed said premises over the last few years and that he has entered into this Contract without relying on any statement or representation or covenant not specifically embodied in this Contract, and is purchasing the property in its present condition;

The Seller shall not furnish a policy of title insurance on said premises, but upon receipt of such survey and the proper description, the Seller agrees to execute his proper Warranty Deed conveying said premises to the Purchaser free and clear as of this date of all encumbrances except as hereinabove set forth, and will place said Warranty Deed in escrow in the office of Proctor & Puckett, Attorneys at Law, with instructions to the escrow holder that when and if the purchase price shall have been paid in full, both principal and interest, and Purchaser shall have complied with all other terms of this agreement, to deliver the Warranty Deed to the Purchaser.

Seller agrees that Purchaser shall have the right to further encumber said property with the Farmers' Home Administration, but that said encumbrance shall be for the purpose of installing additional irrigation and drainage system on the land and for the purpose of obtaining fertilizers and land conditioners, so that approximately 100 acres more of said premises shall be put into full production. Purchaser shall be entitled to possession as of the date of execution of this Agreement.

During the term of this agreement, Purchaser agrees to maintain said premises in accordance with the laws and/or ordinances or regulations of any constituted authority applying to said property, and to make no unlawful use thereof.

It is further understood that the taxes on the property

are paid by the Veterans Administration, and that in addition to the payments hereinabove described, Seller shall be reimbursed for taxes, assessments and any other charges levied against said real property. Purchaser shall not allow any encumbrances to be placed upon said property except as hereinabove described, and shall permit no lien or other encumbrance to be filed or placed against said real property without the written consent of Seller.

It is further understood and agreed that if the Purchaser fails to pay and discharge any taxes, liens, encumbrances or charges, Seller at his option without waiver of default or breach of the Purchaser, and without being obligated to do so, may pay or discharge all or any part thereof, and any sum so paid by Seller shall be added to the principal due under this contract and bear interest at the same rate.

This agreement may be modified only in writing executed by Seller and Purchaser in triplicate, with one copy to be delivered to the Escrowee.

Time is material and of the essence hereof, and failure of the Purchaser to make any of said payments as the same shall fall due or within sixty days thereafter, or to observe the covenants of this contract shall constitute a default.

In the event of such default, Seller shall give written notice to Purchaser at P. O. Box 51, Keno, Oregon 97627, and the Purchaser shall have thirty days within which to correct the default and comply with the terms and provisions of this contract.

In the event Purchaser fails to correct said default in the time specified, Seller may strictly foreclose the contract in the manner provided by law.

The remedy hereinabove provided shall not be exclusive, but Seller shall have such other and further remedies as shall be meet and proper in law and equity.

The terms of this agreement shall inure to the benefit of and be binding upon the heirs, successors, assigns and personal representatives of the parties hereto.

Purchaser shall not commit or suffer any waste of said real property or the improvements thereon, and shall maintain the property and all improvements in good condition and repair as the same now are (usual wear and tear thereof excepted).

The Purchaser may not assign this agreement except upon written consent of the Seller, in which case Seller and Purchaser would wish to arrange a mutual sale of the property, and the

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Seller will not unreasonably withhold such consent.

Seller agrees to obtain a policy of life insurance upon the life of Purchaser in the amount of \$ 50,000 and for a period of ten years. If Purchaser should become deceased, Purchaser agrees that said sum shall be collected by Seller and paid over to Purchaser's estate as and for full payment of the Purchaser's interest in said real property.

At the end of ten years, the parties agree to enter into a subsequent agreement with respect to the preceding paragraph.

The parties hereto agree to execute a Memorandum of Contract to be recorded with the Clerk of Klamath County, Oregon.

IN WITNESS WHEREOF, The parties hereto have hereunto set their hands and seals this the day and year first hereinabove written.

Robert A. Puckett
Seller.

Douglas J. Puckett
Purchaser.

Douglas J. Puckett

STATE OF OREGON,

County of Klamath } ss.

FORM NO. 23 — ACKNOWLEDGMENT
STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

BE IT REMEMBERED, That on this 1st day of May, 1978, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Douglas J. Puckett

known to me to be the identical individual described in and who executed the within instrument and acknowledged to me that he executed the same freely and voluntarily.

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

Joey Blubaugh
Notary Public for Oregon.
My Commission expires 3-23-81

AGREEMENT, Page 5.

PROCTOR & PUCKETT
ATTORNEYS AT LAW
280 MAIN STREET
KLAMATH FALLS, OREGON 97601

STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 2nd day of May A.D., 19 78 at 11:07 o'clock A M., and duly recorded in Vol M78 of Deeds on Page 8756.

FEE \$15.00

WM. D. MILNE, County Clerk

By Santha H. Smith Deputy