55690

0-3327-43-39

Vol. M78 Page 21482

THIS CONTRACT, Made this 27th day of August, 1978, between Michael B. Jager and Margaret H. Jager, husband and wife, and Clark J. Kenyon, A single man and Robert H. Brannon, A single man, hereinafter called the seller,

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:

"You have the option to void your contract or agreement by notice to the seller if you did not receive a Property Report prepared pursuant to the Rules and Regulations of the Office of Interstate Land Sales Registration, U.S. Department of Housing and Urban Development, in advance of, or at the time of your signing the contract or agreement. If you received the Property Report less than 48 hours prior to signing the contract or agreement you have the right to revoke the contract or agreement by notice to the seller until midnight of the third business day following the consummation of the transaction. A business day is any calendar day except Sunday, or the following business holidays: New Year's Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Veteran's Day, Columbus Day, Thanksgiving, and Christmas."

It is mandatory that the purchaser be a member of the Little Deschutes River Woods Owners Association and is subject to maintenance of both the access road and those roads within Subdivision Tract 1069 as spelled out in the Articles of Association recorded in Klamath County on March 12, 1973 instrument No. 74116, volume M73, page No. 2591.

The sellers are able to deliver deeds free of the lien of the blanket encumbrance in all cases because the 40 acre minimum release provision is well within their financial capability to perform.

Lot 6, Block 39, Tract No. 1069.

for the sum of Three Thousand Five Hundred and no/100 Dollars ($3,500.00) (hereinafter called the purchase price), on account of which Two Hundred and no/100 Dollars ($200.00) 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: $3,300.00) to the order of the seller in monthly payments of not less than Thirty-two and no/100 Dollars ($32.00) each,

payable on the 10th day of each month hereafter beginning with the month of November, 1978, and continuing until said purchase price is fully paid. All of said purchase price may be paid at any time; all deferred balance of said purchase price shall bear interest at the rate of 7.5 per cent per annum from October 10, 1978 until paid, interest to be paid monthly and * (in addition to / being 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, paid by sellers, thereafter by buyers

The buyer warrants that he is not a foreign person or a nonresident alien of the United States of America and agrees with the seller that the real property described in this contract is

(a) not used or held for agricultural purposes;

(b) for an owner-occupied residence;

(c) for a rental property or for business or commercial purposes other than agricultural purposes.

The buyer agrees that he will take possession of said lands on August 27, 1978, and may retain such possession so long as he shall perform his obligations under this contract, and will maintain the premises in good condition. The buyer agrees that at all times he will keep the buildings on said premises, now or hereafter erected, in good condition and repair; that he will keep said premises free from mechanic's and all other liens and encumbrances; that he will pay all taxes and assessments when due; that he will keep said premises free from mechanic's liens and other liens and encumbrances; that he will keep said premises free from public charges and municipal liens which hereafter may be imposed upon said property, as well as all water rents, public charges and municipal liens which hereafter may be imposed upon said premises; that, at buyer's expense, he will keep the same or any part thereof from becoming past due; that at buyer's expense, he will keep said premises insured against loss or damage by fire (with extended coverage) in an amount not less than $ none

in a company or companies satisfactory to the seller, with loss payable first to the seller and then to the buyer as their interests may appear, and will deliver the policy or policies of insurance to the seller as soon as insured. Now if the buyer shall fail to pay any taxes or to keep said premises free from such encumbrances, the seller may do so and any payment so made shall be added to and become a part of the balance owing on the purchase price, and shall bear interest at the rate aforesaid, without waiver, however, of any right arising to the seller for the buyer's default in payment.

The seller agrees that in the event the buyer shall pay the balance of the purchase price and interest and shall have performed all the other covenants and agreements herein contained on his part to be performed, then and at any time within ten days after the same shall become payable and demand shall be made therefor, and upon surrender to seller hereunder of this contract, the seller will execute and deliver to the buyer a warranty deed to said premises, free and clear of all encumbrances except those created by the buyer or his assigns, and the taxes, municipal and other liens and assessments now of record, if any. Seller also agrees that when the buyer shall have paid the balance of the purchase price and interest, as aforesaid, and shall have performed all the other covenants and agreements herein contained on his part to be performed, he will deliver a good and sufficient deed conveying said premises, free and clear of all encumbrances as of the date hereof and free and clear of all encumbrances and restrictions and the taxes, municipal liens and assessments, however, the said easements and restrictions and the taxes, municipal liens and assessments and other encumbrances created by the buyer or his assigns.

10 and deposited in escrow

Upon payment of the last hereof, he will furnish unto buyer a title insurance policy insuring buyer in good condition and repair and free of all encumbrances in the seller on or subsequent to the date of this agreement, and will deliver a good and sufficient deed conveying said premises, free and clear of all encumbrances as of the date hereof and free and clear of all encumbrances and restrictions and the taxes, municipal liens and assessments, however, the said easements and restrictions and the taxes, municipal liens and assessments and other encumbrances created by the buyer or his assigns.

And it is understood and agreed between the parties hereto that time is of the essence of this contract, and in case the buyer shall fail to make the payments herein provided for, or shall fail to keep any agreement herein contained, then the seller may at his option (1) declare the whole unpaid principal balance of said purchase price and interest immediately due and payable, and (2) by notice to the buyer forfeit and cancel the buyer's rights under this contract, and (3) by suit in equity, and in any of such cases, the seller hereunder shall utterly cease and determine and the right to the possession of the premises 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 the seller to be performed, and without any right of the buyer of return, reclamation or compensation for moneys paid on this contract or on said purchase price, and such payments shall be forfeited and retained by and belong to said seller as the agreed and reasonable rent of said premises for the use and occupation thereof, together with all the improvements and appurtenances thereunto belonging, and said premises shall be and remain free and clear of this contract and such payments had never been made; and in case of default in payment of any such payment, shall have the right immediately, or at any time thereafter, to enter upon and take possession of said premises, together with all the improvements and appurtenances thereunto belonging, without any notice to the buyer of such election or demand for possession, and without any process of law, and the buyer hereby covenants that in the event of such default in payment and such election by said seller, he will quietly surrender and yield up the said premises to said seller, or his agent, or attorney, or successor in interest, or any person or persons in possession thereof, and that the seller may remove the buyer and all other persons therefrom by the use of such force as may be necessary, without being liable to any action for damages or otherwise, and the failure of the seller to insist upon a strict compliance by the buyer of any provision hereof shall in no way affect his right to enforce any provision hereof thereafter, nor shall the waiver by said seller of any breach of any provision hereof be held to be a waiver of any subsequent breach of the same or any other provision hereof.

The true and actual consideration paid for this transaction, stated in terms of dollars, is $ 3,500.00. (Whenever the actual consideration consists of or includes other property or other value given or promised which is the whole consideration, indicate which.)

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 shall include the plural, the masculine and the feminine, 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.

Michael B. Jager

Clark J. Kenyon

STATE OF OREGON, County of Klamath, ss.

I hereby certify that the within instrument was received and filed for record on the 27th day of September, A.D., 19 78 at 2:09 o'clock P M., and duly recorded in Vol. M78, of Deeds on Page 21482.

FEE $3.00

WALTER L. MILLER, County Clerk

By Geraldine Letsch, Deputy

Tax statement to: John R. Brannon 421 Grace Rd., Newport Beach, California 92663

FIRST NATIONAL BANK OF OREGON Klamath Falls, Oregon 97601 ATTENTION: CLARK