

CONTRACT OF SALE

THIS AGREEMENT, entered into this 1st day of November, 1978, by and between WARREN J. RUMBAUGH and LELA L. RUMBAUGH, husband and wife, hereinafter called Sellers, which term includes the heirs, successors, personal representatives and assigns of said persons, and LOREN SCOTT CALVIN and SUZANNE L. CALVIN, husband and wife, as Purchasers, which term includes the heirs, successors, personal representatives and assigns of said persons.

W I T N E S S E T H :

That in consideration of the mutual covenants and agreements herein contained, the Sellers agree to grant, bargain, deliver and sell unto the Purchasers and the Purchasers agree to purchase from the Sellers that certain 1975 New Moon 12' x 60' mobile home, serial number 11806355, permanent identification plate number X109871 6 and that certain real property described as follows, to-wit:

described as follows, to-wit:

All that portion of Section 16, Township 41 South, Range 10 East, Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

described as follows:

Beginning at a point 2,665 feet West from the corner common to Sections 9, 10, 15 and 16 of said Township and Range, said point being on the North line of said Section 16; thence, along said line, West 1,335 feet to a point; thence, South 660 feet to a point, thence, East 1,335 feet to a point; thence, North 660 feet to the point of beginning.

SUBJECT, HOWEVER TO THE FOLLOWING:

1. Taxes for the fiscal year 1978-1979, due and payable.
Mobile Home Taxes for the year 1978-1979, due and payable.
2. City Liens, if any, due to the City of Merrill.
3. Rights of the public in and to any portion of the herein described premises lying within the limits of streets, roads or highways.

4. Unrecorded Real Estate Contract including the terms and provisions thereof, and such other exceptions as may appear necessary upon the recording thereof,

Dated: Unknown
Part: W

Dated: UNKNOWN
Vendor: Bert W. Burns
George Bloise

Vendor: Bert W. Burns
Vendee: George Bloise and Dixie Bloise
Examination of Case No. 77

Vendor: Bert W. Burns
Vendee: George Bloise and Dixie Bloise
Disclosed by: Examination of Case No. 77-137L, Circuit Court of the State of Oregon, for the County of Klamath, which Purchasers herein do not assume and agree to pay, and Sellers further covenant to and with Purchasers that the said prior contract shall

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be paid in full prior to, or at the time this Contract is fully paid and that said above described real property will be released from the lien of said contract upon payment of this Contract.

5. The effect of a Deed recorded October 26, 1978 in Volume M78, page 24053, Microfilm Records of Klamath County, Oregon, by and between George Bloise and Dixie Bloise, husband and wife, Grantor and Warren J. Rumbaugh and Lela L. Rumbaugh, husband and wife, Grantee.

6. Covenants, conditions and restrictions as contained in the instrument recorded in Volume M76, page 5547, above mentioned, which among other things provided for setbacks of 50 feet on the front and 20 feet on the sides.

7. A. A Judgment for the amount herein stated and any other amounts due,

Entered: May 11, 1976

Docket Book: 29, page 215

Amount: \$81.70, plus interest, if any

Debtor: George M. Bloise and Dixie Bloise

Creditor: Diane B. Barraco

Case No.: 75-201E

B. A Judgment for the amount herein stated and any other amounts due,

Entered: October 22, 1976

Docket Book: 29, page 326

Amount: \$74.48, plus interest, if any

Debtor: George M. Bloise, Sr., and Dixie Bloise

Creditor: Diana B. Barraco

Case No.: 142-75 Juvenile

C. A Judgment for the amount herein stated and any other amounts due,

Entered: November 26, 1976

Docket Book: 29, page 354

Amount: \$17,000.00 plus interest, attorney fees and costs

Debtor: George Bloise, Sr., and Dixie Bloise

Creditor: Priscilla H. Bettles, Conservator of the Estate of Neva Moses

Case No.: 76-700E

(Note: Entered in Journal No. M78, at page 5775, May 22, 1978 is a "Bid and Satisfaction of Judgment" executed by the attorney for the plaintiff which, among other things provides "upon acceptance and ratification of said bid satisfies the judgment made herein.")

D. A Judgment for the amount herein stated and any other amounts due,

Entered: August 16, 1978

Docket Book: 32, page 370

Amount: \$26,150.00, plus interest, attorney fees and costs

Debtor: George Bloise and Dixie Bloise

Creditor: Warren J. Rumbaugh and Lela L. Rumbaugh

Case No.: 77-733E

(Note: Partial payment of \$3,500.00 received through Writ of Execution filed September 10, 1978 and returned by the Sheriff of Klamath County on September 7, 1978), which Sellers agree to hold Purchasers herein harmless therefrom.

TERMS AND CONSIDERATIONS: The total purchase price of the above described real and personal property is TWENTY-NINE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$29,500.00) payable as follows:

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1. SEVEN THOUSAND EIGHT HUNDRED THIRTY AND NO/100 DOLLARS (\$7,830.00) cash and consideration, the receipt and sufficiency whereof is hereby acknowledged by Sellers. It is understood that this down payment includes any money paid by Purchasers as earnest money for the purpose of binding this transaction.

2. The remaining balance of TWENTY-ONE THOUSAND SIX HUNDRED SEVENTY AND NO/100 DOLLARS (\$21,670.00), shall be paid in monthly installments of \$174.70 each, including interest at the rate of 9 1/4% per annum from the 1st day of November, 1978, the first of said installments to be paid on the 1st day of December, 1978, and a like installment to be paid on the 1st day of each and every month thereafter. Purchasers agree to pay a lump sum payment on the principal in the sum of \$8,170.00 on or before January 15, 1979, or upon the same date the January, 1979 monthly payment is due. Said monthly payments shall continue until the entire purchase price, including principal, interest and additions thereto, is paid in full. The monthly installments of \$174.70 include principal and interest only.

Purchasers specifically agree to pay the full contract balance on or before November 1st, 1988.

ALLOCATION OF PURCHASE PRICE: It is hereby agreed by and between the parties hereto that the purchase price is allocated as follows: Real property, \$22,500.00 and 1975 New Moon 12' x 60' mobile home, \$7,000.00.

INCREASING PAYMENTS: Purchasers shall have the privilege of increasing any monthly payments or prepaying the whole consideration at any time, provided that no additional payments shall be credited as regular future payments nor excuse Purchasers from making the regular monthly payments provided for in this agreement. Such prepayment shall be made without penalty to the Purchasers.

INTEREST: It is understood and agreed that from the payments hereinabove provided for there shall first be deducted interest at the rate of 9 1/4% per annum then accrued on any of the unpaid balance of the principal indebtedness, and thereafter the remaining portion of said installment shall apply in reduction of the principal balance owing under the terms and conditions of the subject agreement. Interest on the unpaid balance shall be payable from and after the 1st day of November, 1978.

All payments due hereunder shall be made to the Sellers at Mountain Title Company, 407 Main Street, Klamath Falls, Oregon 97601, herein designated Escrow Agent.

TAXES AND LIENS: Except as herein expressly provided to the contrary, all current taxes and other assessments on the properties shall be prorated between the parties as of the date of November 1st, 1978. Purchasers agree to pay all such taxes and assessments thereafter levied before they become delinquent. Purchasers further agree to pay and discharge of record all other liens which may thereafter be claimed or imposed against said property, or any part thereof, within thirty (30) days after the filing thereof or shall supply assurances satisfactory to Sellers that said liens, or any judgments entered thereon, will be paid and discharged of record.

POSSESSION: Purchasers shall be entitled to possession of the above described real and personal property as of November 3rd, 1978.

REPRESENTATION: Purchasers certify that this Contract

of Sale is accepted on the basis of Purchasers' own examination and personal knowledge of the properties and opinion as to the value thereof; that the only material representations and warranties inducing this transaction are those expressly set forth herein; that no agreement or promise to alter, repair, or improve said properties has been made by Sellers or any agent of Sellers; and Purchasers hereby agree to take said properties and the improvements thereon in the condition they are in at the time of execution of this agreement. Purchasers agree to keep said properties and the improvements in a good condition of repair and maintenance, and Purchasers will commit no waste thereof.

INSURANCE: At Purchasers' expense they will insure and keep insured all buildings and the mobile home now or hereafter erected on said premises against loss or damage by fire, with extended coverage, in an amount not less than \$9,000.00, in a company or companies satisfactory to the Sellers, with loss payable first to the Sellers, then to the Purchasers, as their respective interest may appear, and evidence of said policies of insurance shall be delivered to Sellers as soon as insured.

ASSIGNMENT: Purchasers shall not sell, transfer, or assign this agreement or any right or interest therein without first obtaining the written consent of the Sellers, and no sale, transfer, or assignment of this agreement shall be valid or recognized by any person for any purpose unless Sellers' consent be obtained in writing; any such consent given pursuant hereto shall not be construed as any representation or agreement by Sellers concerning the condition or degree of the right or interest reported to be sold, transferred, or assigned by any such sale, transfer, or assignment, consented to by Sellers, and any breach of the terms or provisions of this paragraph by Purchasers may be deemed by Sellers to be a default in the terms thereof, and Sellers shall have the right to declare all sums then remaining unpaid on this agreement immediately due and payable, and if not so paid, shall have the right to foreclose this Contract of Sale. Consent of Sellers to transfer shall not be unreasonably withheld.

DEFAULT: Time is of the essence in this Contract. Default shall occur if:

1. Purchasers fail to make any payment at the time required by this agreement.
2. Purchasers fail to perform any other obligation imposed by this Contract and do not correct or commence correction of such failure within thirty (30) days after receipt of written notice from Sellers specifying the manner in which Purchasers are in default; or
3. Purchasers become insolvent, a receiver is appointed to take possession of all or a substantial part of Purchasers' properties, Purchasers make an assignment for the benefit of creditors or file a voluntary petition in bankruptcy, or Purchasers are the subject of an involuntary petition in bankruptcy which is not dismissed within 90 days. If Purchasers consist of more than one person or entity, the occurrence of any of these events as to any one person or entity shall constitute a default hereunder.

In the event of a default, Sellers may take any one or more of the following steps:

1. Declare the entire balance of the purchase price and interest immediately due and payable.

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2. Foreclose this Contract by suit in equity.
3. Specifically enforce the terms of this Contract by suit in equity.

4. Declare this Contract null and void as of the date of the breach and retain as liquidated damages the amount of the payments previously made hereunder. In such event, all of the right, title and interest of Purchasers to the property shall revert to and be vested in Sellers without any act by Sellers to be performed, and Purchasers agree to peaceably surrender the property to Sellers. Should Purchasers fail to so surrender the property, Sellers may at their option treat Purchasers as a tenant holding over unlawfully after the expiration of a lease and Purchasers may be ousted and removed as such.

The remedies provided above shall be non-exclusive and in addition to any other remedies provided by law.

DELINQUENT CHARGES: If Purchasers shall fail to pay any assessments, liens, insurance premiums, or any other expense necessary to preserve Sellers' lien hereby retained, and the value and priority thereof, Sellers, without obligation to do so, and without waiver of Purchasers' default, have the right to pay the same, and treat the amount so paid as a debt due and owing from Purchasers to Sellers, secured by the lien of this agreement, and to bear interest at contract rate per annum until paid.

NON-WAIVER: Failure of Sellers at any time to require performance of any provision of this Contract shall not limit the right of Sellers to enforce the provision, nor shall any waiver by Sellers of any breach of any provision be a waiver of any succeeding breach of that provision or a waiver of that provision in itself or any other provisions.

ATTORNEY'S FEES: Should suit, action, or other legal proceeding be instituted to declare or enforce any right created by this instrument, the prevailing party therein shall be entitled to the costs and disbursements provided by statute, and such other sum as the Court may adjudge reasonable for attorney's fees.

PRIOR AGREEMENTS: This document is the entire, final and complete agreement of the parties pertaining to the sale and purchase of the real property, and supersedes and replaces all written and oral agreements heretofore made or existing by and between the parties or their representatives insofar as the property is concerned.

GENERAL PROVISIONS:

1. All of the terms herein, the rights, duties, and remedies of the parties shall be governed by the laws of Oregon.
2. Each demand, notice, or other communication shall be served or given by mail or telegraph addressed to the party at their mailing address set forth herein. For purposes of Notice, Sellers' address shall be c/o O. W. Goakey, Attorney at Law, 431 Main Street, Klamath Falls, Oregon 97601, and the Purchasers' address shall be Merrill, Oregon 97633. Reasonable notice when Notice is required, shall be ten (10) days.

SPECIAL PROVISIONS: The Purchasers herein acknowledge that they know the Sellers herein do not have title or the power to convey title to the property which is the subject of this Contract of Sale at the present time. Sellers hold a vendees' interest in the real property herein by virtue of a Contract of Purchase from

George Bloise and Dixie Bloise dated February 6, 1976. George Bloise and Dixie Bloise derive their interest by virtue of an unrecorded Contract dated September, 1973 from Bert W. Burns. Sellers herein do have a recorded Bargain and Sale Deed dated April 2, 1976, from George Bloise and Dixie Bloise, husband and wife, which was recorded on October 25, 1978, in Volume M78, page _____, Record of Deeds in Klamath County, Oregon. The property which is the subject of the Burns-Bloise agreement of September, 1973, is a larger parcel which includes the property described in this Contract. It is further understood by and between the parties hereto that Bloises have not been able to convey clear title to Rumbaugh's by reason of the Burns-Bloise contract, and Bloises have failed to cooperate with Rumbaugh's to acquire clear title to said property.

Purchasers further acknowledge that litigation has been instituted and is being prosecuted in an effort to acquire marketable legal title to the property herein described on behalf of Rumbaugh's. The nature of this litigation has been explained to the Purchasers, and they are aware of said litigation.

Purchasers understand that Sellers do not guarantee or promise that the litigation will be successful to clear title to this property. It is further hereby agreed by and between the parties hereto that pending efforts of Sellers to acquire marketable title to the property described herein, all sums required to be paid toward the purchase price as set forth herein shall be held in escrow at Mountain Title Company, 407 Main Street, Klamath Falls, Oregon 97601. Mountain Title Company will be instructed to deposit said monthly payments to an interest bearing savings account for the benefit of the parties entitled to said funds. It is further understood by and between the parties hereto that it is estimated that it will take up to 90 days from the date of this agreement before the pending efforts to clear title to this property will be completed. In the event that Sellers can convey insurable title to Purchasers upon payment of the purchase price of \$29,500.00 within said 90 days and present evidence thereof to the escrow agent by delivery of a Purchasers' Policy of Title Insurance, the escrow agent shall deliver to Sellers the sums held on deposit, plus interest at the rate of 9½% per annum from _____, 1978, and all payments thereafter made by Purchasers, or the purchase price, shall be paid to the order of Sellers herein.

In the event that Sellers do not secure insurable title within said 90 days, Purchasers may terminate this Contract and the escrow held by Mountain Title Company any time thereafter by delivery of written notice to Sellers at the office of Sellers' attorney, O. W. Goakey, 431 Main Street, Klamath Falls, Oregon.

Unless earlier terminated by the Purchasers, as provided herein, the Sellers may, if they have been unsuccessful in acquiring insurable title, terminate this Contract and the escrow after the expiration of 180 days from the date of this Contract unless Purchasers shall elect to waive the title defects and agree to accept the interest of Sellers as full performance of Sellers' obligations herein. In such case the Purchasers shall have the right to perfect title in place and instead of the Sellers and Purchasers obligations shall be deemed performed, excepting only to cooperate with Purchasers, at Purchasers' expense, in clearing title. In the event that Purchasers shall make the election to accept defective title as last above stated, they shall do so in writing within 30 days after Purchasers receive written notice of Sellers' election to terminate.

In the event that Sellers elect to terminate as herein provided and Purchasers do not elect to accept such title as Sellers have, as herein provided, within said 30 days this Contract shall terminate and the escrow close.

In the event Purchasers do elect to accept such title as Sellers have then this Contract shall be performed as though Sellers had performed and Mountain Title Company shall forthwith deliver all escrowed payments on the purchase price, plus earned interest, to the order of Sellers and thereafter deliver future payments to the order of Sellers.

In the event that the Contract is terminated and the escrow closed, Mountain Title Company shall return all sums plus interest to the Purchasers, and return all of Sellers' documents deposited in escrow by them, to the Sellers.

In the event of Contract and escrow termination, the parties agree as follows:

1. Purchasers shall not be obligated to pay Sellers rent for any period of lawful occupancy up to the date of Contract termination; but will be required to pay for any damages or waste, if any caused to occupied premises, and rental in the amount of \$300.00 per month for one period following 10 days after Contract termination.

2. Sellers shall not be obligated to pay Purchasers for any betterments or improvements, if any, made by Purchasers.

3. Each party, subject to provisions of 1 and 2 above release the other from any and all claims arising from this Contract.

The Purchasers may, at their own option and risk, occupy the premises for so long as they are not in default under this agreement unless this Contract is terminated.

ESCROW ARRANGEMENTS: As soon as practicable following the execution of this Contract of Sale, Sellers shall deliver in escrow to Mountain Title Company, 407 Main Street, Klamath Falls, Oregon 97601, the following:

1. An unrecorded Warranty Deed from Warren J. Rumbaugh and Lela L. Rumbaugh as the grantors, to Loren Scott Calvin and Suzanne L. Calvin as the grantees.

2. A Contract of Sale.

3. Memorandum of Contract for Deed.

IN WITNESS WHEREOF, the parties have cause this Contract to be executed in duplicate as of the day and year first above written.

Warren J. Rumbaugh
Warren J. Rumbaugh

Loren Scott Calvin
Loren Scott Calvin

Lela L. Rumbaugh
Lela L. Rumbaugh

Suzanne L. Calvin
Suzanne L. Calvin

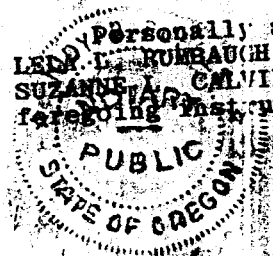
SELLERS

PURCHASERS

STATE OF OREGON)
) ss.
 County of Klamath)

November 1, 1978

Personally appeared the above named WARREN J. RUMBAUGH and
 LENA L. RUMBAUGH, husband and wife, and LOREN SCOTT CALVIN and
 SUZANNE L. CALVIN, husband and wife, and acknowledged the
 foregoing instrument to be their voluntary act and deed.



Before me:

May Blubach
 Notary Public for Oregon
 My Commission Expires: 8-23-81

Tax statements to:
 Loren Scott Calvin
 General Delivery
 Merrill, Oregon
 Return to MTC

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Mountain Title co

this 16th day of November A. D. 1978 at 11:59 o'clock AM., on

fully recorded in Vol. M78, of Deeds on Page 25895

Fee \$24.00

Wm D. MILNE, County Clerk
 By: Bernetha Shelsch