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CONTRACT—REAL ESTATE

Vol. 178 Page 26060

THIS CONTRACT, Made this 10th day of November, 1978, between Klamath Development Company and Edward J. Shipsey, each as to undivided 1/2 interest and Jack P. and Marilyn L. Baggelaar, hereinafter called the seller, 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: A parcel of land situated in the SW 1/4 of Section 6, Township 40 North, Range 3 East in the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

beginning at a 5/8" iron pin on the North line of said Section 6 which the Northeast corner of said Section 6 bears South 89° 47' 16" East along the North line of said Section 667.90 feet to a 5/8" iron pin; thence South 00° 07' 06" East 194.24 feet to a 5/8" iron pin on the Northwesterly right of way line of the Klamath Falls-Ashland Highway; thence South 89° 57' 00" West along the westerly right of way line of said Klamath Falls-Ashland Highway 87.91 feet to a 5/8" iron pin; thence North 00° 07' 06" West 195.24 feet to the point of beginning.

SUBJECT TO: Easements and right of ways of record and those appearing upon the plat.

for the sum of THIRTEEN THOUSAND DOLLARS (\$13,000.00) (hereinafter called the purchase price), on account of which Three Thousand Dollars (\$3,000.00) 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: \$9,333.33) to the order of the seller in monthly payments of not less than One Hundred Twenty-three Dollars and 35/100 Dollars (\$123.35) each month, for a period of One hundred Twenty Months (120) (Plus a note in the amount of \$666.66 due and payable January 30, 1979)

payable on the 15 day of each month hereafter beginning with the month of January, 1979, and continuing until said purchase price is fully paid. All of said purchase price may be paid at any time; and all deferred balances of said purchase price shall bear interest at the rate of 10 per cent per annum from the date of delinquency until paid, interest to be paid monthly and being included in the minimum monthly payments above required. Taxes on said premises for the current tax year shall be pro-rated between the parties hereon as of the date of this contract. Omer agrees to subordinate to construction loan, no early pay allowed.

The buyer shall be entitled to possession of said lands on 1979 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 repair and will not suffer or permit any waste or strip thereof; that he will keep said premises free from mechanic's liens 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 maturity or any part thereof becomes 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 \$100,000.00 by 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 coverage.

The seller agrees that at his expense and within 10 days from the date hereof, he will furnish unto buyer a title insurance policy insuring (in an amount equal to said purchase price) marketable title in and to said premises in the seller on or subsequent to the date of this agreement, except the usual printed exceptions and the building and other restrictions and easements now of record, if any. Seller also agrees that when said purchase price is fully paid and upon surrender of this agreement, he will deliver a good and sufficient deed conveying said premises in fee simple unto the buyer, his heirs and assigns, free and clear of all encumbrances and restrictions and the taxes, municipal liens, water rents and public charges so incurred by the buyer and further accepting all liens and encumbrances created by the buyer or his assigns.

(Continued on reverse)

*IMPORTANT NOTICE: Delete by lining out whichever phrase and whichever warranty (A) or (B) is not applicable. If warranty (A) is applicable and if the seller is a creditor, as such word is defined by the Truth-in-Lending Act and Regulation Z, the seller MUST comply with the Act and Regulation by making required disclosures for this purpose, use Stevens-Neess Form No. 1306 or similar unless the contract will become a first lien to finance the purchase of a dwelling in which event use Stevens-Neess Form No. 1307 or similar.

Form with fields for Seller (Klamath Development Company and Edward J. Shipsey, P.O. Box 52, Keno, Oregon 97627) and Buyer (Jack P. and Marilyn L. Baggelaar, 3616 Rio Vista, Klamath Falls, Ore. 97601) information, including recording return to and address for tax statements.

STATE OF OREGON, County of [blank] ss. I certify that the within instrument was received for record on the [blank] day of [blank], 19 [blank], at [blank] o'clock M., and recorded in book [blank] on page [blank] or as file/reel number [blank]. Record of Deeds of said county. Witness my hand and seal of County affixed. By [blank] Recording Officer Deputy

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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 payments above required, or any of them, punctually within ten days of the time limited therefor, or fail to keep any agreement herein contained, then the seller, at his option shall have the following rights: (1) to declare this contract null and void, (2) to declare the whole unpaid principal balance of said purchase price with the interest thereon as due and payable and/or (3) to foreclose this contract by suit in equity, and in any of such cases, all rights and interest created or then existing in favor of the buyer as against the seller hereunder shall utterly cease and (determine and the right to the possession of the premises above described and all other rights acquired by the buyer hereunder shall revert to and remain in said seller without any act of re-entry or any other act of said seller to be performed and without any right of the buyer of return, reclamation or compensation for moneys paid on account of the purchase of said property as absolutely, fully and perfectly as if this contract and such payments had never been made; and in case of such default all payments the seller made on this contract are to be retained by and belong to said seller as the agreed and reasonable rent of said premises up to the time of such default. And the said seller, in case of such default, shall have the right immediately, or at any time thereafter, to enter upon the land aforesaid, without any process of law, and take immediate possession thereof, together with all the improvements and appurtenances thereon or thereto belonging.

The buyer further agrees that failure by the seller at any time to require performance by the buyer of any provision hereof shall in no way affect his right hereunder to enforce the same, nor shall any waiver by said seller of any breach of any provision hereof be held to be a waiver of any succeeding breach of any such provision, or of the provision itself.

The true and actual consideration paid for this transfer, stated in terms of dollars, is \$..... However, the actual consideration consists of or includes the property or value given or promised which is the whole consideration (indicate which).
In case suit or action is instituted to enforce this contract or to enforce any of the provisions hereof, the buyer agrees to pay such sum as the court may adjudge reasonable as attorney's fees to be allowed plaintiff in said suit or action and if an appeal is taken from any judgment or decree of the trial court, the buyer further promises to pay such sum as the appellate court shall adjudge reasonable as plaintiff's attorney's fees on such appeal.

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 pronoun shall be taken to mean and include the plural, the masculine and the neuter, 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.

Jack P. Baggelaar, President, Klamath Development Company
Marilyn L. Baggelaar, Secretary, Klamath Development Company
By: [Signature]

NOTE—The sentence between the symbols () if not applicable, should be deleted. See OES 92.030.
STATE OF OREGON, County of Klamath, November 10, 1978.
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Personally appeared [Signature] and [Signature] who, being duly sworn, each for himself and not one for the other, did say that the former is the president and that the latter is the secretary of [Signature], a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors and that they acknowledged said instrument to be its voluntary act and deed.

Personally appeared the above named Jack P. Baggelaar and Marilyn L. Baggelaar, and acknowledged the foregoing instrument to be their voluntary act and deed.

Notary Public for Oregon, Debra M. Ellingford, Commission expires 4/18/80. (OFFICIAL SEAL)

Section 618, Oregon Laws 1977, provides: (1) All assignments contracting to convey fee title to any real property, at a time more than 12 months from the date that the assignment is executed and the parties are bound, shall be acknowledged, in the manner provided for acknowledgment of deeds, by the owner of the title being conveyed. Such acknowledgments, or memoranda thereof, shall be recorded by the conveyer not later than 15 days after the instrument is executed and the parties are bound thereby. (2) Violation of subsection (1) of this section is a Class B misdemeanor.

(DESCRIPTION CONTINUED)

STATE OF OREGON; COUNTY OF KLAMATH; ss.
Filed for record ~~XXXXXXXXXX~~
this 17th day of November A. D. 1978 at 11:35 o'clock AM., or
duly recorded in Vol. 1078, of Deeds on Page 26000
Fee \$6.00
By: Wm D. MILNE, County Clerk
[Signature]