

SN

60771

THIS CONTRACT, Made this 27 day of December, 1978, between Fajo, Inc.

and

Richard T. Shamrell

, 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:

The Southeast one-quarter of the Southwest one-quarter of Section 3, T. 35 S., R. 11 E., of the W.M., in the County of Klamath and State of Oregon.

for the sum of TWELVE THOUSAND AND NO/100 Dollars (\$ 12,000.00) (hereinafter called the purchase price) on account of which NONE (See below)

Dollars (\$ -0-) is paid on the execution hereof (the receipt of which hereby is acknowledged by the seller), and the remainder to be paid at the times and in amounts as follows, to-wit:

\$1,875.00 allowed as a credit on this purchase, leaving a balance of \$10,125.00 payable at not less than \$100.00 per month including 8 1/2% interest per annum, with balloon payment at the end of ten (10) years.

NOTE: The \$1,875.00 credit resulted from the partnership capital account being applied to the down payment.

All of said purchase price may be paid at any time; all deferred balances shall bear interest at the rate of 8 1/2 per cent per annum from date until paid, interest to be paid monthly and * XXXXXXXX the minimum regular payments above required. Taxes on said premises for the current tax year shall be prorated between the parties hereto as of this date.

The buyer warrants to and covenants with the seller that the real property described in this contract is

(A) primarily for buyer's personal, family, household or agricultural purposes,

(B) for an organization or (even if buyer is a natural person) for business or commercial purposes other than agricultural purposes.

The buyer shall be entitled to possession of said lands on December 27, 1978, 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 condition and repair and will not suffer or permit any waste or strip thereof; that he will keep said premises free from mechanic's 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 the same or any part thereof become 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 \$

None

in 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 as soon as insured to the escrow agent hereinafter named. 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 contract.

The seller has exhibited unto the buyer a title insurance policy insuring marketable title in and to said premises in the seller; seller's title has been examined by the buyer and is accepted and approved by him.

Contemporaneously herewith, the seller has executed a good and sufficient deed (the form of which hereby is approved by the buyer) conveying the above described real estate in fee simple unto the buyer, his heirs and assigns, free and clear of incumbrances as of the date hereof, excepting the easements, building and other restrictions now of record, if any, and See the title report for other

encumbrances

and has placed said deed, together with an executed copy of this contract and the title insurance policy mentioned above, in escrow with Mt. Title Company of Klamath Falls, Oregon, escrow agent, with instructions to deliver said deed, together with the fire and title insurance policies, to the order of the buyer, his heirs and assigns, upon the payment of the purchase price and full compliance by the buyer with the terms of this agreement. The buyer agrees to pay the balance of said purchase price and the respective installments thereof, promptly at the times provided therefor, to the said escrow agent for the use and benefit of the seller. The escrow fee of the escrow agent shall be paid by the seller and buyer in equal shares; the cost of the deed and the cost of the title insurance shall be paid by the buyer.

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 20 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 at once due and payable, (3) to withdraw said deed and other documents from escrow and/or (4) 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 revert 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 money 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 theretofore 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 as a waiver of the provision itself.

The true and actual consideration paid for this transfer, stated in terms of dollars, is \$ 12,000.00. (Remember, the actual consideration consists of all property or value given or promised which is the consideration (indicate which).)

In case suit is instituted to foreclose this contract or to enforce any provision hereof, the buyer agrees to pay such sum as the trial court may adjudge reasonable as attorney's fees to be allowed plaintiff in said suit and if an appeal is taken from any judgment or decree of such 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 or a corporation; that if the context so requires, the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine and the neuter, and that generally all legal changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals. This agreement shall bind and inure to the benefit of, as the circumstances may require, not only the immediate parties hereto but their heirs, executors, administrators, successors in interest and assigns as well.

IN WITNESS WHEREOF, said parties have executed this instrument in triplicate; 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.

Fajo, Inc.

BY

Howard A. Fohnman

Richard T. Shamrell

IMMEDIATE 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 in 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-Ness Form No. 1308 or similar unless the contract will become a first lien to finance the purchase of a dwelling in which event use Stevens-Ness Form No. 1307 or similar.

NOTE: The sentence between the symbols (1) and (2), if not applicable, should be deleted; see Oregon Revised Statutes, Section 93.030. (Notarial acknowledgment on reverse).

90 JAN 9 PM 3 06

