

When Recorded please return to:

Patrick J. Oliver  
447 N.E. Greenwood  
Bend, OR 97701

63474

Vol. <sup>M</sup>79 Page ~~4931~~

CONTRACT OF SALE

THIS CONTRACT entered into this 3rd day of January  
1979, by and between Prudential Property Planning, Inc.  
A California Corporation, hereinafter referred to as Seller,  
and Patrick J. Oliver, hereinafter referred to as Purchaser,

W I T N E S S E T H :

1. DESCRIPTION OF PROPERTY: Seller agrees to sell the  
Purchaser and Purchaser agrees to Purchase that certain land  
and all improvements thereon, situated in Klamath County,  
Oregon, and more particularly described as follows:

S  $\frac{1}{2}$  N  $\frac{1}{2}$  SE  $\frac{1}{4}$ , and the S  $\frac{1}{2}$  E  $\frac{1}{2}$  N  $\frac{1}{2}$  SW  $\frac{1}{2}$   
in Section 7, Township 39S Range 8 East of  
the Willamette Meridian.

1. The assessment roll and the tax roll disclose that the  
within described premises were specially assessed as farm  
land. If the land has become or becomes disqualified for  
the assessment under the statute, an additional tax may be  
levied for the years since October 5, 1968, in which the  
land was subject to the special land use assessment.

2. Reservations, including the terms and provisions thereof,  
for mineral rights as disclosed in deed from Long Bell Lumber  
Company to Weyerhaeuser Timber Company in Deed Volume 70,  
page 282, and in Deed from Weyerhaeuser Timber Company to  
Louis W. Soukup and Mildred K. Soukup in Volume 264, page  
414, and in deed from John Ashley and Eve B. Ashley to  
William R. Owens and Margaret H. Owens in Volume 356, page  
42, records of Klamath County, Oregon.

3. Judgement docketed January 16, 1959, Book 12, page 158  
Judgement Lien Docket of Klamath County, Oregon, in the  
amount of \$11,796.18 against Louis W. Soukup and Mildred K.  
Soukup in favor of Richard A. Harmon and Hazel A. Harmon.  
By an order entered October 8, 1968, the above judgement was  
renewed in book 23 on page 94, Judgement Lien Docket of  
Klamath County, Oregon.

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2. PURCHASE PRICE AND TERMS: The purchase of the property, which Purchaser agrees to pay as follows shall be the sum of EIGHTEEN THOUSAND AND NO/100 DOLLARS (\$18,000.00) payable as follows:

(a) The sum of TWO THOUSAND AND NO/100 DOLLARS (\$2,000.00) which is paid upon the execution of this agreement:

(b) The remaining balance of SIXTEEN THOUSAND AND NO/100 DOLLARS (\$16,000.00) shall be paid in annual installments of ONE THOUSAND FOUR HUNDRED FORTY AND NO/100 DOLLARS (\$1,440.00) including interest at 9 percent (9%) per annum on the unpaid balance, the first of such installments to be paid on the 1st day of January, 1980 and subsequent installments to be paid on or before the 1st day of January each and every year thereafter.

The full balance, both principal and interest shall be due and payable not later than five (5) years from the date of execution of this agreement.

3. INTEREST: Interest on all unpaid balances shall commence on the 1st day of January, 1979.

4. PREPAYMENT PRIVILEGES: Purchaser shall have the privilege of prepaying the entire balance at any time together with interest due thereon to the date of payment, without penalty.

5. TAXES: All taxes levied against the above described property for the current tax year shall be prorated between Seller and Purchaser as of January 1, 1979. Purchaser agrees to pay when due all taxes which are hereafter levied against the property.

If at any time the described real property is disqualified for farm use or farm deferral, purchaser agrees to assume and pay any and all additional taxes, penalties or interest, and to hold the seller harmless from any liability thereon.

Purchasers will make prompt application as required by law to retain the existing taxation rate based upon the lands present use as farm deferral property. Purchasers further agree they will fully use and protect all existing water rights pertinent to said premises.

6. MAINTENANCE: The purchasers agree to farm and manage the property herein, both real and personal in a good and husbandlike manner, to reasonably maintain the fences, to save and protect the water rights, to reasonably protect the personal property from the elements, and to repair or replace such personal property as becomes obsolete or unuseable.
7. INSURANCE: The buyer agrees 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 the appraised value of said buildings or improvements in a company or companies satisfactory to the seller, with loss payable first to the seller and then to the purchaser as their respective interests may appear and all policies of insurance to be delivered to the seller as soon as insured. Now if the purchaser shall fail to procure and pay for such insurance, the seller may do so and any prepayment 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 purchaser's breach of contract. All uninsured losses shall be borne by Purchaser on or after the date Purchaser becomes entitled to possession.
8. POSSESSION: Purchaser shall be entitled to possession of the premises on the day of execution of this agreement.

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9. TITLE INSURANCE: The Seller agrees that at his expense he will furnish unto Purchaser a Title Insurance Policy in the amount of EIGHTEEN THOUSAND AND NO/100 DOLLARS (\$18,000.00) within thirty (30) days from the date of execution of this agreement, save and except the usual printed exceptions and the building and other restrictions and easements now of record, if any.
10. IMPROVEMENTS, ALTERATIONS, AND REPAIRS: Purchaser agrees that all improvements now located or which shall hereafter be placed on the premises shall remain a part of the real property and shall not be removed at any time prior to the expiration of this agreement without the written consent of the Seller. Purchaser shall not commit or suffer any waste of the property, or any improvement thereon, or alterations thereof, and shall maintain the property, and all improvement thereof and all alterations thereof, in good condition and repair.
11. LIENS: The purchaser promises 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 cost 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. Now if the purchaser shall fail to pay any such liens, costs, water rents, taxes, or charges, the seller may do so and any prepayment 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 purchaser's breach of contract.

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12. COVENANT OF TITLE: Vendor covenants that they are the owners of the above described property free of all encumbrances, excepting those herein above described.

13. DELIVERY OF DEED: Upon payment of the entire purchase price for the property, as provided herein, and performance by Purchaser of all other terms, conditions and provisions hereof, seller shall forthwith execute and deliver to Purchaser a good and sufficient deed conveying said property free and clear of all liens and encumbrances, except as above provided and those placed upon the property or suffered by Purchaser subsequent to the date of this contract.

14. DEFAULT PROVISIONS: In the event that Purchaser shall fail to perform any of the terms of this agreement, time of payment and performance being of the essence, Seller shall, at his option, subject to the requirements of notice as herein provided have the following rights:

(a) To Foreclose this contract by strict foreclosure in equity.

(b) To declare the full unpaid balance of the purchase price immediately due and payable.

(c) To specifically enforce the terms of this agreement by suit in equity.

(d) To declare this agreement null and void as of the date of the breach and to retain as liquidated damages the amount of the payment theretofore made upon said premises. Under this option all of the right, title and interest of Purchaser shall revert and revest in Seller without any act of re-entry or without any other act by Seller to be performed, and Purchaser agrees to peaceably surrender the premises to Seller or in default thereof Purchaser may, at the option of Seller, be treated as a tenant holding over unlawfully after the expiration of a lease and may be ousted and removed as such.

Purchaser shall not be deemed in default for failure to perform any covenant or condition of this contract, other than the failure to make payments as provided for herein, until notice of said default has been given by Seller to Purchaser and Purchaser shall have failed to remedy said default with 15 days after the giving of the notice. Notice for this purpose shall be deemed to have been given by the deposit in the mail of a certified letter containing said

notice and addressed to Purchaser at 447 N.E. Greenwood, Bend, Oregon. If Purchaser shall fail to make payment as herein provided and said failure shall continue for more than 15 days after the payment becomes due, Purchaser shall be deemed in default and Seller shall not be obligated to give notice to Purchaser of a declaration of default.

In the event of default by the purchaser of this contract, and if the seller elects, upon default of this contract, to foreclose by suit in equity, the seller shall have the right to have a receiver of the property appointed by the Court. Such action shall not be construed to be a disaffirmance of the contract but rather shall be construed to be in furtherance of the right of the seller to preserve the security during the pendency of said suit.

15. ATTORNEY FEES: In case litigation is instituted arising directly or indirectly out of this contract, the losing party shall pay to the prevailing party reasonable attorney fees, including reasonable attorney fees upon any appeal that may be taken.

16. REPRESENTATIONS: Purchaser certifies that this contract of purchase is accepted and executed on the basis of his own examination and personal knowledge of this premises and opinion of the value thereof; that no attempt has been made to influence his judgement; that no representation as to the condition or repair of said premises have been made by Seller or by any agent of Seller and that Purchaser takes said property and the improvements thereon in the condition existing at the time of this agreement.

17. WAIVER: Failure by Seller at any time to require performance by Purchaser of any of the provisions hereof shall in no way effect Seller's rights hereunder to enforce the same, nor shall any waiver by Seller of any breach hereof be held to be a waiver of any succeeding breach, or a waiver of this nonwaiver clause.

18. ASSIGNMENTS: Purchaser shall not assign this contract, or any portion thereof, or their rights hereunder or any portions thereof, or in the property covered thereby, without the written consent of Seller to be first had and received, although such consent shall not be unreasonably withheld.

19. SUCCESSOR INTEREST: The covenants, conditions and terms of this agreement shall extend to and be binding upon and inure to the benefit of the heirs, administrators, executors and assigns of the parties hereto, provided, however, that nothing contained in this paragraph shall alter the restrictions hereinabove contained relating to assignment.

20. INTERPRETATION: In construing this contract, it is understood that the Seller or the Purchaser 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, the feminine 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.

Raul A. Prudential  
X Robert T. Morris - purchaser

STATE OF OREGON  
County of Deschutes } ss.

JAN. 3, 1979

Personally appeared the above named PERSON  
and acknowledged the foregoing instrument to be HIS voluntary  
act and deed.

Before Me:

Notary Public for Oregon  
My Commission Expires: 9/1/79

STATE OF OREGON  
County of Deschutes } ss.

JAN. 3, 1979

The foregoing instrument was acknowledged before me this  
3rd day of JANUARY, 1979 by Robert T. Morris,  
President of Prudential Property Planning, Inc.  
a California corporation on behalf of the corporation.

Notary Public for Oregon  
My Commission Expires: 9-1-79

STATE OF OREGON; COUNTY OF KIAMATH; ss.  
I hereby certify that the within instrument was received and filed for record on the 6th day of MAY,  
March 1979 at 11:523 o'clock A M., and duly recorded in Vol. M79  
of Deeds on Page 4991.  
WM. D. MILNE, County Clerk  
By Bernetha Hellock Deputy

FEE \$21.00