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CONTRACT OF SALE

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THIS AGREEMENT, Made and entered this 12th day of October, 1972, by and between JIMMIE LEE HARGROVE and SHARON LEE HARGROVE, husband and wife, hereinafter referred to as the Sellers and FORREST D. YOUNG and DONNA G. YOUNG, husband and wife, hereinafter referred to as Purchasers.

WITNESSETH:

For and in consideration of the mutual covenants and agreements herein contained, and the payments to be made as hereinafter specified, the Sellers hereby agree to sell and the Purchasers agree to buy the following described real property located in Klamath County, State of Oregon, to-wit:

Lot 5 in Block 1 Tract #1008 BANYON PARK

The agreed purchase price for said real property is the sum of Twenty Thousand (\$20,000.00) Dollars, which sum Purchasers promise and agree to pay as follows:

Five hundred and no/100 (\$500.00) Dollars, the receipt of which is hereby acknowledged, and the balance of Nineteen Thousand five hundred and no/100 (\$19,500.00) Dollars, together with interest thereon at the rate of 7 3/4 % per annum from October 1, 1972, to be paid in monthly payments of not less than One hundred sixty-five and no/100 (\$165.00) Dollars, including interest on the first day of each and every month beginning November 1, 1972, and monthly thereafter on or before the first day of each month a like sum of \$165.00, until the full balance of principal and interest has been paid. It is expressly understood and agreed that in event the real property taxes on the said premises are increased, that the aforementioned monthly payment shall be proportionately increased to cover such tax increase.

Purchasers agree to make said payments promptly on the dates above named to the order of the Sellers at Klamath Falls, Oregon; to keep said property at all times in as good condition as the same are now, that no improvements now on or which may hereafter be placed on said property shall be removed or destroyed before the entire purchase price has been paid and that said property will be kept insured in companies approved by the Sellers against loss by fire in a sum not less than the balance of the contract, with loss payable to the parties as their respective interests may

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appear, said policies to be held by the Sellers, copy to Purchasers. In 17581
the event the Purchasers fail to so supply Sellers with a copy of an
insurance policy evidencing valid coverage, Sellers may, at their option
and without waiver of any other rights under this contract, purchase
equivalent insurance and add the cost thereof to the unpaid contract
balance.

Purchasers agree not to suffer or permit any part of said
property to become subject to any taxes, assessments, liens, charges or
incumbrance whatsoever having precedence over the rights of the Sellers
in and to said property. Purchasers shall be entitled to possession said
property October 1, 1972.

Sellers agree that at their expense and within three years
from the date of closing, they will furnish unto Purchasers a title insurance
policy insuring for \$20,000.00 marketable title in and to said premises in the
Sellers on or subsequent to the date of this contract, save and except the
unusual printed exceptions and the building or other restrictions and ease-
ments now of record.

That said described real property is now subject to a Trust
Deed, dated July 11, 1972, recorded July 11, 1972, in Book M-72 at page
7554, Microfilm records, given to secure the payment of \$16,000.00, with
interest thereon, executed by Jimmie Lee Hargrove and Sharon Lee Hargrove,
husband and wife, to Transamerica Title Insurance Co., trustee for bene-
ficiary Equitable Savings and Loan Association, an Oregon Corporation. Sellers
agree to pay all sums due and to become due on said Trust Deed promptly
at the times required for said payments and to keep said Trust Deed free from
default. Should the Sellers for any reason permit said Trust Deed to be or
become in default, the Purchasers may pay any sums required by said Trust
Deed to be paid or otherwise perform said Trust Deed and the Purchasers shall
be entitled to credit for all sums so paid by them against the sums next to
become due on the above purchase price pursuant to the terms of this contract.

Sellers will upon the execution hereof make and execute in
favor of Purchasers good and sufficient warranty deed conveying a fee simple

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title to said property free and clear as of this date of all encumbrances ¹⁷⁵⁸ whatsoever, except as above stated. Sellers will place said deed together with one of these agreements in escrow at the First Federal Savings and Loan Association of Klamath Falls, Oregon, and shall enter into written escrow instructions in form satisfactory to said escrow holder, instructing said escrow holder that when, and if, purchasers shall have paid the balance of the purchase price in accordance with the terms and conditions of this contract, said escrow holder shall deliver said instruments to Purchasers, but in case of default said escrow holder shall, on demand, surrender said instruments to Sellers.

Purchasers agree that in event of sale, assignment or transfer of their interest herein, that the entire transaction is to be refinanced and shall pay the Sellers in full any balances remaining due under this agreement.

But in case Purchasers shall fail to make the payments aforesaid or any of them, punctually and upon the strict terms and at the times above specified, or fail to keep any of the other terms or conditions of the agreement, time of payment and strict performance being declared to be the essence of this agreement, if any default hereunder should continue for 30 days after notice is given to Purchasers, then Sellers shall have the following rights: (1) To foreclose this contract by strict foreclosure in equity; (2) To declare the full unpaid balance immediately due and payable; (3) To specifically enforce the terms of this agreement by suit in equity; (4) To declare this contract null and void, and in any of such cases, except exercise of the right to specifically enforce this agreement shall utterly cease and determine, and the premises aforesaid shall revert and revest in Sellers without any declaration of forfeiture or act of reentry, and without any other act by Sellers to be performed and without any right of Purchasers of reclamation or compensation for money paid or for improvements made, as absolutely, fully and perfectly as if this agreement had never been made.

Should Purchasers, while in default, permit the premises to become vacant, Sellers may take possession of same for the purpose of protecting and preserving the property and his security interest therein,

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and in the event possession is so taken by Sellers, they shall not be deemed to have waived their rights to exercise any of the foregoing rights. 17580

And in case suit or action is instituted to foreclose the contract or to enforce any of the provisions hereof, Purchasers agree to pay reasonable cost of title report and title search and such sum as the trial 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 such trial court, the Purchasers further promise to pay such sum as the appellate court shall adjudge reasonable as plaintiff's attorneys fees on such appeal.

Purchasers further agree that failure by Sellers at any time to require performance by Purchasers of any provision hereof shall in no way affect Sellers rights hereunder to enforce the same, nor shall any waiver by Sellers of any breach of any provision hereof be held to be a waiver of any succeeding breach of any provision, or as a waiver of the provision itself.

This agreement shall bind and inure to the benefit of as the circumstances may require, the parties hereto and their respective heirs, executors, administrators and assigns.

WITNESS the hands of the parties the day and year first herein written.

Harriet V. Young
Purchaser

Donald Young
Purchaser

Jimmie Lee Thargrove
Seller

Sharon Lee Thargrove
Seller

will not
STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 24th day of July A.D., 19 79 at 4:33 o'clock PM, and duly recorded in Vol 179 of Deeds on Page 17580.

WM. D. MILNE, County Clerk
By Bernice White

Deputy

FEE \$12.00