

72659

Vol. ^m 79 Page 19830

CONTRACT OF SALE

THIS AGREEMENT, made and entered into this 20 day of August, 1979, by and between KALLOOR JOSEPH DEVASIA and SARAMMA DEVASIA, husband and wife, hereinafter called the Sellers, and WILLIAM E. BAKER, hereinafter called the Purchaser,

WITNESSETH:

I.

Sellers agree to sell to the Purchaser, and the Purchaser agrees to buy from the Sellers all of the following-described real property, and all improvements thereon, situated in Klamath County, State of Oregon, to wit:

Lot 24, Block 1, FIRST ADDITION TO KELENE GARDENS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon,

such property is referred to herein as the property, at and for a price of \$44,900.00 payable as follows, to wit:

1. \$2,000.00 at the time of execution of this agreement, the receipt of which is hereby acknowledged by the Sellers; and
2. \$42,900.00 with interest at the rate of 11% per annum from September 25, 1979, payable in installments of not less than \$408.55, inclusive of interest, the first installment to be paid on the 20th day of October, 1979, and a further installment to be paid on the twentieth day of every month thereafter until the full balance and interest are paid. Each payment shall be applied First to interest to the date of payment and the balance to principal.

The Purchaser agrees to make said payments promptly on the dates above named to the Sellers, or the survivor of them, at the last address furnished by the Sellers to the Purchaser.

The Purchaser further agrees:

1. To keep said property at all times in as good condition as the same now are;
2. That no improvement, now on or which may hereafter be placed on said property shall be removed or destroyed before the entire purchase

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1 price has been paid; and

2
3 3. To pay regularly and seasonably, and before the same shall
4 become subject to interest charges, all taxes, assessments, liens, and encum-
5 brances of whatsoever nature and kind except those taxes, assessments, and
6 levies collected by the Klamath County Treasurer, and agrees not to suffer or
7 permit any part of said property to become subject to any taxes, assessments,
8 liens, charges, or encumbrances whatsoever, except those excepted above, having
9 precedence over the rights of the Sellers in and to said property.

10 II.

11 The property is presently subject to a trust deed with The Lomas &
12 Nettleton Company, a corporation, as the beneficiary, dated July 5, 1971,
13 recorded in Volume M71, page 7172-5, Deed Records, Klamath County, Oregon.
14 Sellers covenant that Sellers will make all payments thereunder and will
15 obey all of the terms of such instrument.

16 It is the intention of the Sellers to use the proceeds of the monthly
17 installments paid to the Sellers by the Purchaser, as set out above, to make
18 the payments required by the above-mentioned trust deed. Said trust deed
19 provides for a late payment penalty on all payments not made by the tenth day
20 of each month. In the event that the Sellers are required to pay said late
21 payment penalty due to the failure of the Purchaser to make the payments set
22 out above on time, then the Purchaser agrees to reimburse the Sellers for
23 said penalty.

24 The beneficiary of said trust deed maintains a reserve fund in an
25 amount sufficient to pay all taxes, levies and assessments made or collected
26 by the Klamath County Treasurer. Under the provisions of said trust deed the
27 Sellers herein pay monthly to said beneficiary or its trustee an amount equal
28 to one-twelfth of said taxes, levies and assessments. Purchaser hereby agrees
29 to pay monthly to the Sellers a sum equal to said monthly reserve-fund payment.
30 The initial amount of such monthly payment shall be \$39.28; said monthly
31 payment shall be paid with and in addition to each monthly installment of
32 \$408.55 set out in section I above. In the event that the said beneficiary
or trustee ceases to maintain said reserve fund, then Sellers shall accumulate

1 as a reserve fund said monthly payments for the payment of said taxes, levies
2 and assessments. No interest or earnings shall be payable by the Sellers to
3 the Purchaser on any amount accumulated hereunder upon full payment of the
4 purchase price hereunder; Sellers shall refund to Purchaser the balance re-
5 maining in the reserve account. Sellers shall promptly notify Purchaser of
6 any incremental increase or decrease in said reserve-fund payment necessary to
7 provide an adequate fund for payment of said taxes, levies and assessments.

8 The beneficiary maintains casualty insurance on the property for which
9 the Sellers herein make monthly payments. Purchaser agrees to pay to Sellers
10 in addition to the monthly installments of \$408.55 and the reserve-fund payment
11 set forth above an amount equal to the said monthly payment paid by Sellers
12 for said insurance. The initial amount of such monthly payments shall be
13 \$11.08. The Sellers agree to promptly notify the Purchaser of any increase
14 or decrease in the cost of said insurance, and the Purchaser agrees to adjust
15 the next and the following monthly payments to reflect said change in premium
16 cost. The Sellers agree to remit to the Purchaser the amount of any collec-
17 tion under said insurance policy which exceeds the principal and interest
18 then remaining unpaid hereunder.

19 The Purchaser agrees to indemnify and defend Sellers from any claim,
20 loss or liability arising out of or related to any activity of Purchaser on
21 the property or any condition of the property.

22 The Purchaser takes the property subject to the trust deed set out
23 above. In the event that the Sellers fail to make any payment required by
24 such trust deed and the promissory note secured thereby, Purchaser, at Pur-
25 chaser's option, may make any or all of the payments payable to Sellers
26 hereunder directly to the said beneficiary until such obligation is satis-
27 fied. Such payments shall be credited on the balance of the purchase price
28 hereunder as though paid directly to Sellers.

29 Purchaser may at any time pay off the entire balance of the purchase
30 price remaining due, together with interest due thereon to the date of pay-
31 ment. In addition, Purchaser agrees to reimburse Sellers for any prepayment
32 penalty which the Sellers are required to pay under the provisions of the

1 trust deed set out above. In the event that the Purchaser does pay off the
2 entire balance hereunder the Sellers agree to pay off the said trust deed
3 as provided for therein.

4 The Purchaser may on any due date increase any monthly payment or
5 prepay any part of the balance hereunder remaining at that time.

III

7 The Sellers covenant that Sellers are the owners of good and market-
8 able title to the property free of all liens and encumbrances except:

9 1. The Trust Deed set out above which has been assigned to the Fed-
10 eral National Mortgage Association, a corporation, by the beneficiary therein;

11 2. Reservations and restrictions contained in the dedication of
12 First Addition to Kelene Gardens as recorded in the Klamath County Clerk's
13 office;

14 3. Building and use restrictions for First Addition to Kelene Gardens,
15 recorded in Volume M68, page 3337, Deed Records, Klamath County, Oregon;

16 4. Liens, assessments, regulations, easements, contracts, water and
17 irrigation rights of the Klamath Project and Klamath Irrigation District;

18 5. Rules, regulations and assessments of the South Suburban Sanitary
19 District; and

20 6. Taxes for 1979-80 which are now a lien but are not yet payable.

21 Sellers agree that when Purchaser shall have paid balance of the pur-
22 chase price in accordance with the terms and conditions of this Contract,
23 Sellers shall deliver to Purchaser a good and sufficient Warranty Deed to the
24 property subject only to the liens and encumbrances set forth above.

25 Sellers agree to give Purchaser written notice that he is in default
26 of one or more of the requirements of this Contract. If Purchaser does not
27 cure said default within thirty days of receipt of said notice, time of pay-
28 ment and strict performance being declared to be the essence of this agreement,
29 then Sellers shall have the following rights:

- 30 (1) To foreclose this Contract by strict foreclosure in equity;
31 (2) To declare the full unpaid balance immediately due and payable;
32 (3) To specifically enforce the terms of the agreement by suit in

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1 equity;

2 (4) To declare this contract null and void, and in any of such cases,
3 except exercise of the right to specifically enforce this agreement by suit in
4 equity, all the right and interest hereby created or then existing in favor of
5 Purchaser derived under this agreement shall utterly cease and determine, and
6 the premises aforesaid shall revert and revest in Sellers without any declara-
7 tion of forfeiture or act of re-entry, and without any other act by Sellers
8 to be performed, and without any right of Purchaser of reclamation or compen-
9 sation for money paid or for improvements made, as absolutely, fully, and
10 perfectly as if this agreement had never been made.

11 Should Purchaser, while in default, permit the premises to become
12 vacant, Sellers may take possession of same for the purpose of protecting and
13 preserving the property and their security interest therein; and in the event
14 possession is so taken by Sellers, they shall not be deemed to have waived
15 their right to exercise any of the foregoing rights.

16 And in case suit or action is instituted to foreclose this Contract or
17 to enforce any of the provisions hereof, Purchaser agrees to pay reasonable
18 cost of title report and title search and such sum as the trial court may
19 adjudge reasonable as attorney's fees to be allowed plaintiff in said suit or
20 action; and if an appeal is taken from any judgment or decree of such trial
21 court, the Purchaser further promises to pay such sum as the appellate court
22 shall adjudge reasonable as plaintiff's attorney's fees on such appeal.

23 Purchaser further agrees that failure by Sellers at any time to re-
24 quire performance by Purchaser of any provision hereof shall in no way affect
25 Sellers' rights hereunder to enforce the same, nor shall any waiver by Sellers
26 of such breach of any provision hereof be held to be a waiver of any succeed-
27 ing breach of any such provision, or as a waiver of the provision itself.

28 This agreement shall bind and inure to the benefit of, as the circum-
29 stances may require, the parties hereto and their respective heirs, executors,
30 administrators, and assigns. The Purchaser may not assign this contract.

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

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1 Kalloor Joseph Devasia
2 Kalloor Joseph Devasia

William E. Baker
William E. Baker

PURCHASER

3 Saramma Devasia
4 Saramma Devasia

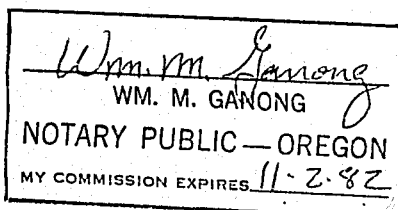
SELLERS

6 STATE OF OREGON }
7 County of Klamath) SS.

August 20, 1979.

8 Personally appeared the above-named KALLOOR JOSEPH DEVASIA and SARAMMA
9 DEVASIA, husband and wife, and WILLIAM E. BAKER and acknowledged the foregoing
10 instrument to be their voluntary act and deed. BEFORE ME:
11 (SEAL)

Wm M Ganong
Notary Public for Oregon
My Commission Expires 11-2-82



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18
19
20 Until a change is requested, all tax statements shall be sent to:

21 Lomas & Nettleton Company
22 700 Norton Bldg.
23 Seattle, Washington 98104

24 After recording return to:
25 Wm. M. Ganong
26 P. O. Box 57
27 Klamath Falls, Oregon 97601

28 STATE OF OREGON; COUNTY OF KLAMATH; ss.

29 filed for record at request of Wm. M. Ganong, Atty.

30 this 21st day of August A. D. 1979 at 11:00 o'clock A.M., an

31 fully recorded in Vol. 879, of Books on Page 1983

Wm D. MILNE, County Clerk

By Bernetha Sholto

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