

THIS CONTRACT, Made this 8th day of October 1979, between Bruce D. Balbin and Delena R. Balbin, his wife, hereinafter called the seller, and Harold James Schermehorn and Virginia Diane Schermehorn R/s (2EYT) hereinafter called the buyer, and the payments to be made seller, the following described real estate, situate in the County of Klamath State of Oregon, to wit:

The East half of the Southeast quarter of the Southeast quarter, all in Section 30, Township 35 South, Range 11 East, Willamette Meridian.

for the sum of Eleven Thousand and 00/100 Dollars (\$11,000.00) (hereinafter called the purchase price) on account of which Five Thousand and 00/100 Dollars (\$5,000.00) 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:

Balance of \$6,000.00 to be payable \$80.00 per month including 8% interest. First payment due Dec. 1, 1979 and further payments to be made on the first day of each month until the entire balance and interest are paid. There will be no penalty for prepayment.

All of said purchase price may be paid at any time; all deferred balances shall bear interest at the rate of 8 per cent per annum from October 8, 1979 until paid; interest to be paid monthly and * * * being included in 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 shall be entitled to possession of said lands on October 8, 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 condition and repair and will not suffer or permit any waste or strip thereof; that he will keep said premises free from mechanics' 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 \$0.00 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.

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 items of record commonly accepted.

U.S. Nat'l Bank of Chilcoquin, Oregon and has placed said deed, together with an executed copy of this contract escrow agent, with instructions to deliver said deed 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 collection charges of said agent shall be paid by the seller.

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 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 be held by the 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 to be performed 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 \$11,000.00. (However, the actual consideration consists of or includes other property or value given or promised which is part of the consideration (indicate which).)

In case suit is instituted to foreclose this contract or to enforce the 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 grammatical changes shall be made 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 respective 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.

NOTE-The sentence between the symbols [] if not applicable, should be deleted; See Chapter 462, Oregon Laws 1967, as amended by the 1967 Special Session.

STATE OF OREGON, COUNTY OF KLAMATH, ss.

I hereby certify that the within instrument was received and filed for record on the 22nd day of October A.D., 19 79 at 10:04 o'clock A M., and duly recorded in Vol. M79 of Deeds on Page 24729.

\$3.50
FEE

WM. D. MILNE, County Clerk
By Berntha S. Peters Deputy