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AGREEMENT

This Agreement made and entered into on this 28th day of August 1980 by and between Robert Thomas, herein called "Borrower" and Paul Sabo, herein called "Lender";

WITNESSETH:

Whereas Robert Thomas has entered into agreements to purchase the following described parcels:

PARCEL 1, A lot in the Winema Gardens subdivision, a more particular description to be furnished later.

PARCEL 2, more particularly described as: ... (Oregon Ave.)

PARCEL 3, more particularly described as: ... (Bilyard Iri-plex)

In connection with the aforesaid purchases, the Lender, Paul Sabo has advanced Robert Thomas the sum of \$50,000.00 by deposit of said sum in escrow with Transamerica Title Insurance Company, Escrow #22349-2.

The purpose of the loan is to allow Borrower to purchase the property herefore described as Parcel 1, Parcel 2, Parcel 3, to pay off a second mortgage on his home property of 1518 North Eldorado Street, Klamath Falls, Oregon, to Security Savings and Loan Association and to remit any remaining proceeds to Borrower. Borrower to acknowledge that there is currently a second mortgage on Borrower's home at 1518 North Eldorado, Klamath Falls, Oregon in favor of Security Savings and Loan Association in the approximate amount of \$7,000. A portion of the proceeds of this loan shall be used to pay off said second mortgage to Security Savings and Loan Association so that the mortgage granted Lender by Borrower on said property shall be second only to the mortgage on such property given by Borrower to the Oregon Department of Veterans Affairs.

Said sum is to be repaid in monthly payments of \$500.00, plus interest on the unpaid balance computed at the annual percentage rate of 15%. Interest shall commence on August 20, 1980. The first payment shall be due on the same day of the following month and the following payments shall be due on the same day of each month thereafter, with the entire balance of principal and interest to become due three years, (36 months) after the date of closing of the Transamerica escrow. The Borrower may prepay all or any part of the principal balance at any time without penalty.

To assist in the collection of the parties hereto shall establish a collection escrow at South Valley State Bank, and borrower shall make all payments due under the terms of this agreement to such escrow, and shall bear all charges of such escrow. South Valley State Bank shall be instructed to disburse the proceeds collected in such escrow in any matter which Lender may direct. Lender shall deposit satisfactions of each of the four mortgages to be provided him by Borrower in the escrow with the provision that all such mortgages shall be released to Borrower upon full payment of the sums due Lender under the terms of this contract. In addition, Lender shall instruct South Valley State Bank and the escrow instructions shall so provide that satisfactions of the mortgages on Parcels 1 and 2 herein above described shall be released to Borrower or to any escrow created by Borrower for the purpose of re-financing or selling either of such properties, provided the proceeds of such sales or re-financings are applied in full to the principal balance remaining due under the terms of this Agreement.

The parties acknowledge that the description to Parcel 1 is not immediately available, and that part of the purpose of this, the loan described in this Agreement is to purchase such property and the allocated purchase price is \$5,000. If such description and/or title to such property is not clear and available to Borrower's satisfaction at the time the balance of the loan is completed and ready to close, Transamerica shall be entitled to close the loan on the Parcels 2 and 3 and remit to Robert Thomas any balance of the proceeds of the loan to him after withholding the sum of \$5,000 for completion of the purchase of Parcel 1. As soon thereafter as possible, the transaction on Parcel 1 shall be completed and the collection escrow set up at South Valley State Bank.

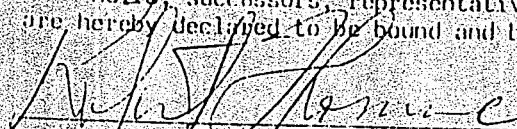
As security for the re-payment of the aforesaid sum, Borrower shall give Lender a first mortgage on Parcel 1 and Parcel 2, a second mortgage on Parcel 3, and a second mortgage on the house and lot located at 1518 North Eldorado, Klamath Falls, Oregon.

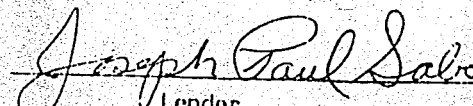
It is further agreed that if Parcel 1 or Parcel 2 is re-financed, the entire proceeds of such transaction shall be applied to the principal sum then remaining due under this Agreement.

It is further agreed that the Borrower will procure at his own expense, Mortgagee's Insurance, to a total value of \$50,000.00.

In case of suit or action or appeal therefrom, is taken to enforce any provision of this Agreement, the prevailing party in such suit, action or appeal shall be entitled to recover from the other party, in addition to the costs and disbursements allowed by law, such sums as the Court may judge reasonable as attorney's fees therein.

Heirs, successors, representatives and assigns of the parties hereto are hereby declared to be bound and benefited by the terms hereof.


Borrower


Lender

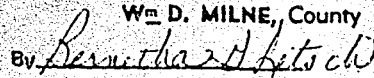
STATE OF OREGON; COUNTY OF KLAMATH; ss.

and for record at request of Transamerica Title Co.

this 2nd day of Sept. A. D. 19 80 at 3:00 o'clock P. M., or

fully recorded in Vol. M80 of Mortgages on Page 16605

Wm D. MILNE, County Clerk

By 

Fee \$14.00

AMENDMENT TO AGREEMENT

THIS AMENDMENT TO AGREEMENT dated the 28th day of August, 1980, by and between Robert Thomas, herein called "Borrower" and Paul Sabo, herein called "Lender"

BY mutual agreement of the Parties stated above, the Agreement shall be amended to exclude certain security and to include certain other security:

The following shall be excluded:

1. Lot 1, Block 2 FAIRVIEW ADDITION #2, in the County of Klamath, State of Oregon, recorded 9-4-80, M-80, page 16783.
2. Lot 4 and the Northwestern $\frac{1}{4}$ of Lot 5, Block 9, HILLSIDE ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon, recorded 9-2-80, M-80, page 16605.

The following shall be included:

1. Lots 11 and 12, Block 24, SECOND ADDITION TO KLAMATH FALLS, in the County of Klamath, State of Oregon.
2. The Northerly 60 feet and the Westerly 150 feet of the Southerly 85.44 feet of Lot E, Subdivision of ENTERPRISE TRACT NO. 24, in NW $\frac{1}{4}$ of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon. ALSO starting at the Northwest corner of Section 3, Township 39 South, Range 9 East of the Willamette Meridian; thence South 00°00' East along the Westerly boundary of said Section 3, 826.8 feet, more or less, to its intersection with a line parallel with and 75.0 feet distant at right angles Northeasterly from the center line of the Klamath Falls-Lakeview State Highway, also known as South Sixth Street as the same is now located and constructed, said parallel line being also the Northerly right of way line of said Highway; thence South 55°52' East along said right of way line 2192.4 feet, more or less, to an iron peg marking the Southwesterly corner of that certain tract of land conveyed to Swan Lake Moulding Company by deed dated May 16, 1968, and recorded in Volume M-68 at page 4736 of Klamath County Deed Records from which peg a cross chisled

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in the concrete sidewalk bears South $34^{\circ}07\frac{1}{2}'$ West
 10.0 feet; thence North $34^{\circ}07\frac{1}{2}'$ East at right angles
 to Sixth Street 150.0 feet to an iron peg and the true
 beginning point of this description; thence South $55^{\circ}52\frac{1}{2}'$
 East 73.52 feet to an iron peg in the East line of
 Enterprise tract No. 33A; thence North $00^{\circ}21\frac{1}{2}'$ East 132.36
 feet along said East line to an iron peg; thence South
 $34^{\circ}07\frac{1}{2}'$ West 109.92 feet to the place of beginning.

The Parties hereto agree that the new securities listed above
 are in lieu of the Chiloquin Lot that Thomas was to purchase under the
 original contract.

DATED THIS, 11th day of Oct, 1980.

Robert Thomas
 ROBERT THOMAS - "BORROWER"

Joseph Paul Sabo
 JOSEPH PAUL SABO - "LENDER"

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Transamerica Title Co.

this 5th day of December A. D. 1980 at 3:35 o'clock P M., and

fully recorded in Vol. M80, of Mortgages on Page 23681

Wm D. MILNE, County Clerk

By Bonetha Spetch

Fee \$24.50

AMENDMENT TO AGREEMENT

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