

CONTRACT OF SALE OF RESIDENTIAL PROPERTY
TIME PAYMENTS

This contract is entered into at Klamath Falls, Oregon on August 24, 1981, between Randall M. Wood and Judith J. Wood, hereinafter called sellers, and Paul K. Rogers and Anne L. Rogers hereinafter called purchasers.

RECITALS

1. Sellers are the owners of the real property situated in the City of Klamath Falls, County of Klamath, at 6318 Harlan Drive, consisting of a residential lot with dwelling thereon, described as follows:

Lot 28, Block 3, 9th Addition Sunset Village,
City of Klamath Falls, County of Klamath,
State of Oregon, as recorded in the records
of the Klamath County Clerk.

2. Seller is also the owner of the following fixtures, equipment and personal property located on and used in connection with the real property described above: all lights fixtures and bulbs, florescent lamps, venetian blinds, window and door screens, storm windows and doors, attached floor coverings, attached television antennas, curtain, towel and drapery rods, shrubs and trees, irrigation, plumbing, cooling and heating equipment, including oil tanks and all fixtures except oak fixtures in the bathroom, exterior wooden barrels and bar in the family room. Sellers will replace appropriate fixtures in the bathroom. The real and personal property together are the subject of this contract and are hereinafter referred to as property.

3. Seller desires to sell and purchaser desires to purchase property for the purchase price and on the terms and conditions herein set forth.

In consideration of the mutual and reciprocal promises and in furtherance of their objective, seller agrees to sell to purchaser,

15177

and purchaser agrees to purchase from seller property above described, and all rights and appurtenances incident thereto, subject only to the matters hereinafter set forth. The parties further agree:

SECTION ONE

PURCHASE PRICE AND TERMS OF PAYMENT

(1) The entire purchase price for property is Eighty Seven Thousand Dollars (\$87,000.00), including the encumbrance hereinafter referred to. The purchase price shall be paid as follows:

(a) The sum of Ten Thousand Dollars (\$10,000.00) as down payment shall be paid on the execution of this instrument. The receipt of such sum is hereby acknowledged by sellers. In addition, Purchaser has paid the additional sum of One Thousand Three Hundred Five Dollars (\$1,305.00) toward sales commission herein and said amount is hereby further credited against the purchase price.

(b) The sum of Eighteen Thousand Six Hundred Ninety Five Dollars (\$18,965.00) is to be paid in two installments, the first installment to be Nine Thousand Six Hundred Ninety Five Dollars (\$9,695.00) plus interest at 10 1/2 per cent per annum/ on or before April 1, 1982, and the further sum of Nine Thousand Dollars (\$9,000.00) plus 10 1/2 per cent per annum on or before April 1, 1983. *from August 25, 1981*

(c) The balance of the purchase price, Fifty Seven Thousand Dollars (\$57,000.00), shall be paid by purchaser to seller or his order in monthly payments of Six Hundred Thirty Five Dollars (\$635.00) each, including interest at 10 1/2 per cent per annum/ from August 25, 1981 commencing October 1, 1981, and continue on the same date of each successive month until fully paid. Said monthly payment shall be

15178
adjusted for any increase or decrease in real property taxes,
insurance or escrow expenses.

(d) The Sellers herein shall pay the real property taxes and fire insurance premiums when same become due. Upon presentation of receipts for payments of these taxes and insurance premiums to the escrow holder named herein, these amounts shall added to the unpaid principal balance of this Contract, and the amounts so added shall bear interest at the rate provided herein.

(e) The parties hereto acknowledge there exists a First Trust Deed between sellers and Security Savings & Loan Association dated March 30, 1979, and which is an encumbrance on said property. It is the intent of this Contract that the monthly payments above noted shall be applied to the principal balance of that Trust Deed with the approximate balance of Fifty Seven Thousand Dollars (\$57,000.00), as well as interest, taxes and insurance. It is further agreed between the parties that any default in the terms of the Trust Deed above noted shall likewise be a default of this Contract of Sale. In that regard, the purchasers by executing this Contract acknowledge that they have read and are familiar with the terms and conditions of said Trust Deed and agree to abide thereby. In addition, the purchasers have been advised that there is a potential that the Trust Deed could be foreclosed or accelerated due to this transfer, and they fully acknowledge that they understand their rights thereto. The parties agree that in the event the Trust Deed is accelerated, purchasers shall be fully obligated to pay the balance thereof, or the increase in interest, whichever is demanded by the lender, and further in that event, the interest on the balloon payment due April 1, 1983,

15179
will be waived from April 1, 1982, to April 1, 1983. It is the intent of
this Contract that this Contract shall be paid in full at such time as the
Trust Deed described herein SECTION TWO
is paid in full. *PKE
ALE W hw*

POSSESSION OF PROPERTY AND RESPONSIBILITIES

Purchasers shall be let into full possession of property
August 29, 1981. Purchaser has inspected property, including
the improvements and real property above described, and accepts
property in its present condition.

During the life of this contract purchaser shall maintain
property, including the improvements and personal property, in a
state of good repair and condition. Purchaser shall keep any
structures on the property in good repair during the term of the
contract and, during such time, shall not suffer or permit any
waste or strip nor make any unlawful use of the premises.

During the term of the Contract, a purchaser shall not cause
or permit structural changes to occur on the property nor to make
any substantial alterations or improvements to the property
(which reduce the value of the property) without first obtaining
written permission of the Sellers.

If any underlying superior lines exist against the property
at the time of the execution of the Contract or are thereafter
created by seller, and such liens are permitted to be in default,
purchaser shall have the right to pay such sums as may be necessary
to control foreclosure or execution against the property directly,
and the sums so paid shall be credited against purchasers' obliga-
tion under the contract.

Purchaser shall not create or suffer construction liens or
other liens against the property during the term of this Contract.

Purchaser shall obtain and maintain fire and other casualty

insurance coverage on the subject property during the terms of this Contract in a sum not less than the unpaid balance of the contract and shall pay all necessary premiums when due. Said policy shall provide a loss payable clause which shall permit the purchasers to elect to use the loss proceeds to restore the premises, if such proceeds plus cash advance of purchasers, if necessary, are sufficient to completely restore the premises to pre-loss condition. Such election shall be made in writing within fifteen days from the date of loss.

A copy of such policy and notice of receipt paid premiums shall be provided to Sellers, and Buyers jointly as provided in this Contract. RW
W
PKR
PKR

The parties do agree to establish a collection escrow at Certified Mortgage. ^{See herein below} Sellers will deposit a fulfillment deed in the form noted in the Earnest Money Agreement and both parties shall provide said escrow agent with adequate instructions to carry out the purposes of such escrow. All payments from purchaser shall thereafter be made to said collection escrow. The cost of said escrow shall be borne by the seller and purchaser equally.

Purchaser shall be permitted the right to prepay any unpaid balance at any time. If the right to prepay exists, purchaser shall not be responsible for any prepayment penalties charged on underlying liens, should prepayment of purchaser necessitate the need to clear the title of such liens prematurely.

A late charge equal to 5% of any installment amount may be charged once as to any installment payments more than 15 days past due, of acceptance by sellers. RW
PKR
PKR

Special Note: Monthly payments due herein from Purchaser to Seller to go to Certified Mortgage Co. which, in turn, shall forward entire amount, less the collection charge, to Security Savings and Loan Assn., to apply on said loan.

SECTION THREE

15181

TITLE

Seller has obtained, or shall within twenty (20) days from the date hereof, from Transamerica Title Insurance Company, a qualified title insurer, a standard form policy of title insurance in the face amount of the purchase price, and shall pay the premium therefor. Such policy shall insure purchaser of sellers' good and merchantable title in the real property above described, subject to the encumbrance herein, this Contract, taxes and assessments not yet due or payable. The policy shall be delivered to purchasers on its issuance, and shall be accepted by him as evidence of sellers' title in the real property above described.

Seller shall not cause or permit any act to be done during the life of this contract that would burden or cloud title to property or interfere with purchasers' full use and enjoyment thereof.

Title in property shall be and is reserved to seller, his heirs, representatives, and assigns until full performance by purchaser hereunder.

SECTION FOUR

BREACH BY PURCHASER: REMEDIES OF SELLER

Time is of the essence of this contract. In the event purchaser fails to make any payment required by the terms of this contract, at the time the same falls due and prior to delinquency thereof, including installment payments to seller, payments on the encumbrance assumed by purchaser, taxes, assessments, and insurance premiums, and if such default continues for fifteen (15) days after written notice thereof, sellers at their option may:

(1) Declare a forfeiture of purchasers' rights hereunder and cancellation of this contract.

(2) In addition to the foregoing, the sellers shall have the right to clear any remaining unpaid sums immediately due and pay-

PAGE 6 - CONTRACT OF SALE.

able and to file for strict foreclosure of purchasers' interest or to bring action for a judgment for unpaid sums, or any other remedy allowed in law or equity.

(3) In the event of default, sellers shall be entitled to the appointment of a receiver as a matter of right and any receiver appointed may serve without bond. Employment by sellers shall not disqualify a person from serving as receiver. Upon taking possession of all or any part of the property the receiver may:

(a) Use, operate, manage, control and conduct business on the property and make expenditures for all maintenance and improvements as in its judgment are proper;

(b) Collect all rents, revenues, income, issues and profits from the property and apply such sums to the expenses of use, operation and management;

(c) At sellers' option, complete any construction in progress on the property, and in that connection, pay bills, borrow funds, employ contractors and make any changes in plans or specifications as sellers deem appropriate.

If the revenues produced by the property are insufficient to pay expenses, the receiver may borrow, from seller or otherwise, such sums as it deems necessary for the purposes stated in this paragraph, and repayment of such sums shall bear interest at the same rate as the balance of the purchase price hereunder from the date of expenditure until repaid and shall be payable by purchaser on demand.

(d) Failure of sellers at any time to require performance of any provision of this contract shall not limit the right of sellers to enforce the provisions nor shall any waiver of sellers

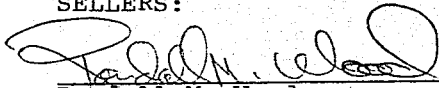
of any breach of any provision be waiver of that provision itself or any other provisions.

(4) In the event suit or action is instituted to enforce any of the terms of this contract, the prevailing party shall be entitled to recover from the other party such sum as the Court may adjudge reasonable as attorney's fees at trial or on appeal of such suit or action, in addition to all other sums provided by law.

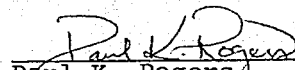
(5) Purchasers accept the land, buildings, improvements and all other aspects of the property in their present condition, AS IS, including latent defects, without any representation or warranties, expressed or implied, unless they are in writing signed by sellers, purchasers agree that he has ascertained from sources other than sellers, the applicable zoning, building, housing and other regulatory ordinances and laws and that he accepts the property with full awareness of these ordinances and laws as they may affect the present use or any intended future use of the property, and sellers have made no representations with respect thereto.

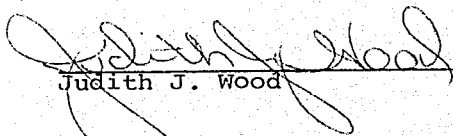
IN WITNESS WHEREOF, the parties have executed this instrument on the day and year first above written.

SELLERS:


Randall M. Wood

PURCHASERS:


Paul K. Rogers


Judith J. Wood


Anne L. Rogers

STATE OF OREGON)
) ss.
COUNTY OF KLAMATH)

Personally appeared the above named Randall M. Wood and Judith J. Wood, sellers and Paul K. Rogers and Anne L. Rogers, purchasers
PAGE 8 - CONTRACT OF SALE

15184

and acknowledged the foregoing instrument to be their voluntary
act and deed.

Before me:

Barlene J. Addington
Notary Public
My Commission expires: 3-22-85

Return To: T/A-Soloth

STATE OF OREGON; COUNTY OF KLAMATH; ss.
Filed for record at request of Transamerica Title Co.
this 25th day of August A.D. 19 81 at 4:09 o'clock P M., and
duly recorded in Vol. M81, of Deeds on Page 15176.
By Evelyn Biehn, County Clerk
Dorothy M. Letoch

Fee \$31.50