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CONTRACT-REAL ESTATE

Vol. 78/ Page 19131

THIS CONTRACT, Made this 13th day of October, 1981, between James A. East and Pearl L. East, son & mother,

and Kelly M. Burns and Donna L. Burns, husband and wife, hereinafter called the seller, hereinafter called the buyer,

WITNESSETH: That in consideration of the mutual covenants and agreements herein contained, the seller agrees to sell unto the buyer and the buyer agrees to purchase from the seller all of the following described lands and premises situated in Klamath County, State of Oregon, to-wit: Lot 5, Block 36, SIXTH ADDITION TO KLAMATH RIVER ACRES, according to the official plat thereof on file in the office of the County Clerk, Klamath County, State of Oregon.

Subject, however, to the following:

1. Restrictions, but omitting restrictions, if any, based on race, color, religion or national origin, as shown on the recorded plat of Sixth Addition to Klamath River Acres.

2. An easement created by instrument, including the terms and provisions thereof,

Dated : November 14, 1956 Book: 288 Page: 72

Recorded : November 16, 1956

In favor of : California Oregon Power Company

For : Transmission and distribution of electricity over Sections 25 and 26, Twp 39 S, R 7 EWM

3. Proposed formation of Klamath River Acres Special Road District as disclosed by Order filed January 29, 1975 in Klamath County Commissioners' Journal.

4. Contract, including the terms and provisions thereof,

Dated : August 28, 1976

Recorded : September 2, 1976 Book: M-76 Page: 13722 (for continuation of this contract see reverse side of this document)

for the sum of Thirteen Thousand Five Hundred and No/100ths-Dollars (\$13,500.00) (hereinafter called the purchase price) on account of which One Thousand Two Hundred and No/100ths

Dollars (\$1,200.00) is paid on the execution hereof (the receipt of which is hereby acknowledged by the seller); the buyer agrees to pay the remainder of said purchase price (to-wit: \$12,300.00) to the order of

the seller, in monthly payments of not less than ONE HUNDRED SEVENTY-SIX and 47/100ths-Dollars (\$176.47) each, or more, prepayment without penalty; an additional

lump sum payment of \$750.00 to become due on May 1, 1982, payable on the 1st day of each month hereafter beginning with the month of December, 1981,

and continuing until said purchase price is fully paid. All of said purchase price may be paid at any time; all deferred balances of said purchase price shall bear interest at the rate of 12% per cent per annum from

October 31, 1981 until paid, interest to be paid monthly and * being included in the minimum

monthly payments above required. Taxes on said premises for the current tax year shall be prorated between the parties hereto as of the date of this contract.

The buyer warrants to and covenants with the seller that the real property described in this contract is (A) primarily for buyer's personal, family, household or agricultural purposes.

(B) for other purposes of the buyer as a natural person in his business or in his occupation, profession, trade, or other activity, or for other purposes.

The buyer shall be entitled to possession of said lands on October 31, 1981, 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 premises and the buildings, now or hereafter erected thereon, in good condition and repair and will not suffer or permit any waste or strip thereof; that he will keep said premises free from construction 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 full insurable value of such buildings and the contents thereof, and he will deliver to the seller a copy of the policy of insurance so issued; that the seller's interest in the premises and the buildings thereon may appear and 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 to the seller as soon as insured. 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.

The seller agrees that at his expense and within 30 days from the date hereof, he will furnish unto buyer a title insurance policy insuring (in an amount equal to said purchase price) marketable title in and to said premises in the seller on or subsequent to the date of this agreement, save and except the usual printed exceptions and the building and other restrictions and covenants now of record, if any. Seller also agrees that when said purchase price is fully paid and upon request and upon surrender of this agreement, he will deliver a good and sufficient deed conveying said premises in fee simple unto the buyer, his heirs and assigns, free and clear of encumbrances as of the date hereof and free and clear of all encumbrances since said date placed, permitted or arising by, through or under seller, excepting, however, the said easements and restrictions and the taxes, municipal liens, water rents and public charges so assumed by the buyer and further excepting all liens and encumbrances created by the buyer or his assigns.

(Continued on reverse)

*IMPORTANT NOTICE: Delete, by lining out, whichever phrase and whichever warranty (A) or (B) is not applicable. If warranty (A) is applicable and if seller is a creditor, as such word is defined in the Truth-in-Lending Act and Regulation Z, the seller MUST comply with the Act and Regulation by making required disclosures; for this purpose, use Stevens-Ness Form No. 1308 or similar. If the contract becomes a first lien to finance the purchase of a dwelling use Stevens-Ness Form No. 1307 or similar.

SELLER'S NAME AND ADDRESS
James A. East and Pearl L. East
6521 Carmine Circle
Huntington Beach, Calif.
NAME, ADDRESS, ZIP
BUYER'S NAME AND ADDRESS
Kelly M. Burns and Donna L. Burns
NAME, ADDRESS, ZIP
After recording return to:
T/A
306 6th St.
NAME, ADDRESS, ZIP
Until a change is requested all tax statements shall be sent to the following address.
Mr. & Mrs. Kelly M. Burns
6521 Carmine Circle
Huntington Beach, Calif.
NAME, ADDRESS, ZIP

STATE OF OREGON,
County of _____ ss.
I certify that the within instrument was received for record on the _____ day of _____, 19____, at _____ o'clock _____ M., and recorded in book/fee/volume No. _____ on page _____ or as document/fee/tile/instrument/microfilm No. _____, Record of Deeds of said county.
Witness my hand and seal of _____ County affixed.
NAME TITLE
By _____ Deputy

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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 interests created or then existing in favor of the buyer as 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 of return, reclamation or compensation for moneys paid on account of the purchase of said property as absolutely, fully and perfectly as if this contract and such payments had never been made; and in case of such default of the purchaser of said property 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 \$ 13,500.00. However, the actual consideration consists of or includes other property or value given or promised which is not given or promised in full.

In case suit or action is instituted to foreclose this contract or to enforce any provision hereof, the losing party in said suit or action agrees to pay such sum as the trial court may adjudge reasonable as attorney's fees to be allowed the prevailing party in said suit or action and if an appeal is taken from any judgment or decree of such trial court, the losing party further promises to pay such sum as the appellate court shall adjudge reasonable as the prevailing party'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, assumed 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, personal representatives, 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.

James A. East
James A. East
Pearl L. East
Pearl L. East

Kelly M. Burns
Kelly M. Burns
Donna L. Burns
Donna L. Burns

STATE OF OREGON, CALIFORNIA)
County of Orange) ss.
October 27, 1981
Personally appeared the above named
Kelly M. Burns and Donna L. Burns

STATE OF OREGON Klamath)
County of Jackson) ss.
November 2, 1981 D.P.
Personally appeared the above named
Kelly M. Burns and Donna L. Burns, D.P.
husband and wife, and acknowledged the foregoing instrument to be their voluntary act and deed.

Before me: OFFICIAL SEAL
Notary Public - California
My Commission Expires 12/25/85

Before me:
OFFICIAL SEAL
Notary Public for Oregon
My Commission Expires: 3-22-85

ORS 93.635 (1) All instruments contracting to convey fee title to any real property, at a time more than 12 months from the date that the instrument is executed and the parties are bound, shall be acknowledged, in the manner provided for acknowledgment of deeds, by the conveyor of the title to be conveyed. Such instruments, or a memorandum thereof, shall be recorded by the conveyor not later than 15 days after the instrument is executed and the parties are bound thereby.

ORS 93.990(3) Violation of ORS 93.635 is punishable, upon conviction, by a fine of not more than \$100.

Vendor : Klamath River Acres of Oreg. Ltd.
Vendee : Harold Ted Burch and Deborah Gay Burch

The vendees' interest in said contract was assigned by instrument
Dated : November 29, 1977 Book: M-77 Page: 23491
Recorded : December 5, 1977
To : Ross P. Whitney and Kathleen E. Whitney, husband and wife

The vendees' interest in said contract was assigned by instrument,
Dated : September 7, 1978 Book: M-78 Page: 20163
Recorded : September 12, 1978
To : James A. East and Pearl L. East, right of survivorship,
which Contract Buyers herein do not assume and agree to pay, and Sellers further covenant to and with Buyers that the said prior Contract shall be paid in full prior to, or at the time this contract is fully paid and that said above described real property will be released from the lien of said Contract upon payment in full of this Contract.
5. 1981-82 taxes, a lien in an amount to be determined, but not yet payable.

SPECIAL PROVISIONS OF THIS CONTRACT

In the event Sellers fail to perform any obligation or fail to make any payment required by the Contract, Buyers shall have the right to correct the default or make any part or all of the payment payable to Sellers under this Contract directly to the Vendors set forth above until Sellers' obligation is satisfied. Buyers' cost in performing Sellers' obligation shall be credited to the next installments coming due for continuation of this Contract see attached Exhibit "A")

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due under the Contract as though paid directly to Sellers. Buyers shall also have the option of waiving application of such amounts to the next installments due under this Contract and may, by written notice to Sellers, demand immediate reimbursement of such costs, together with interest at the rate of 12% percent per annum from the date such costs were incurred by Buyers until repaid.

It is further agreed by and between the parties hereto that in the event Sellers herein sell Lot 6, Block 36, SIXTH ADDITION TO KLAMATH RIVER ACRES, Buyers shall have the first right of refusal to buy the property. Sellers to provide proof of such written offer to Buyers and of refusal prior to such sale commencing. Buyers herein shall have ten (10) days to exercise this option.

It is further agreed by and between the parties hereto that if the property is sold by Buyers in the future, that the entire balance becomes due and payable upon closure of such sale.

Buyers herein specifically agree to pay the full balance on or before October 31, 1992 if the property is not sold prior to that time.

It is further agreed by and between the parties hereto that the payment on the Contract shall be adjusted when the lump sum payment of \$750.00 is paid on or before May 1, 1982.

It is further agreed by and between the parties hereto that the taxes and fire insurance are the Buyers' obligation herein and the Buyers agree to furnish Sellers with proof of payment for taxes and fire insurance each year hereafter.

THIS IS BEING RE-RECORDED TO CORRECT NOTARY.

FORM No. 159—ACKNOWLEDGMENT BY ATTORNEY-IN-FACT.

STATE OF OREGON,

County of Klamath } ss.

On this the 2nd day of November

Pearl L. East

, 19 81 personally appeared

who, being duly sworn (or affirmed), did say that She is the attorney in fact for James A. East and that She executed the foregoing instrument by authority of and in behalf of said principal; and She acknowledged said instrument to be the act and deed of said principal.

(Official Seal)

Before me.

Wardene J. Addington
(Signature)

My Commission Expires: 3-22-85
(Title of Officer)

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Transamerica Title Co.

this 3rd day of November A.D. 19 81 at 11:05 o'clock

duly recorded in Vol. M81, of Deeds

By Evelyn Biehn
EVELYN BIEHN
COUNTY CLERK

State of OREGON: COUNTY OF KLAMATH: ss.

I hereby certify that the within instrument was received and filed for record on the 16th day of November A.D., 19 81 at 3:35 o'clock P M., and duly recorded in Vol M81 of Deeds on page 20032.

Fee \$12.00

By Joyce McQuinn deputy
EVELYN BIEHN
COUNTY CLERK