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REDEMPTION AGREEMENT

Vol. 1483 Page 4343

THIS AGREEMENT made and entered into this 17th day of March, 1983, by and between GEORGE E. MCMAHAN and MARGARET M. WOODY, hereinafter referred to as OWNERS, and WILLIAM J. SCHERMER, herein-after referred to as REDEMPTIONER.

W I T N E S S E T H :

WHEREAS, REDEMPTIONER was in default on certain payments he agreed to make, pursuant to his purchase of the dwelling located at 1022 Washington Street, Klamath Falls, Oregon, and

WHEREAS, on March 16, 1983, at the hour of 10:01 a.m., pursuant to ORS 86.755, the property described in the Notice of Default and Election to Sell recorded at Volume M82, Page 13406, was sold to the OWNERS following their bid of \$25,790.76, representing the expenses of the sale, compensation of the Trustee, attorney's fees, and the unpaid balance of the obligations secured by the Deed of Trust recorded at Volume M80, Page 14264 of the official records of Klamath County, and

WHEREAS, REDEMPTIONER expressly acknowledges the sufficiency and regularity of said sale, and hereby waives any and all defects in the conduct of the nonjudicial foreclosure by Notice and Sale. REDEMPTIONER also specifically acknowledges that the recording of the Trustee's Deed will be sufficient to extinguish all of the REDEMPTIONER'S interest in the subject property, and

WHEREAS, OWNERS, out of the spirit of fairness and human com-

passion, are willing to extend to REDEMPTIONER, one final chance to

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After recording return to:

MICHAEL C. MILLER  
210 North Fourth Street  
Klamath Falls OR 97601



redeem the subject property, and in consideration of the mutual covenants set out herein, the parties agree as follows: 1344

1. REDEMPTIONER shall pay to the OWNERS the sum of \$2,000. Said sum shall be payable \$1,000 upon execution of this Agreement, and \$1,000 on or before 1 p.m. March 26, 1983. Failure to make either of these payments within 24 hours of their becoming due shall terminate this Agreement, entitle OWNERS to retain all funds they have previously received, recover possession of the subject premises, and immediately record the Trustee's Deed.

2. Provided the payments required in Section 1 above are made in a timely manner, and REDEMPTIONER is not in default of any other provision of this Agreement, OWNERS shall refrain from recording their Trustee's Deed to the subject property prior to 8 a.m. April 17, 1983.

3. Subject to the provisions of Section 4 below, this Agreement shall terminate at the hour of 8 a.m. April 17, 1983, at which time the OWNERS may record their Trustee's Deed, recover possession of the subject property, and retain all funds received from the REDEMPTIONER, unless, prior to that time, the REDEMPTIONER has delivered to the OWNERS' attorney, Michael C. Miller, 210 North Fourth Street, Klamath Falls, Oregon, a cashier's check in the amount of \$25,790.79.

4. REDEMPTIONER has listed the subject property for sale with Barnhisel & Ganong, a local real estate broker. If, and only if, prior to 5 p.m. April 16, 1983, a closing escrow has been opened at the downtown branch of Transamerica Title Insurance Company, and there has been deposited therein a duly executed earnest money agreement, and

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earnest money of not less than \$1,000, the OWNERS shall extend their forbearance from recording their Trustee's Deed for a period of not more than 30 days. This extension is subject to the provisions of Section 5 below. If the OWNERS have not received the sum of \$25,790.79 prior to the expiration of 30 days, or if the REDEMPTIONER is in default under any other provision of this Agreement, the OWNERS may immediately record their Trustee's Deed, recover possession of the subject property and retain all funds previously received.

5. In the event the REDEMPTIONER fails to pay to the OWNERS the sum of \$25,790.79 during the 30 day extension period set out in Section 4 above, REDEMPTIONER shall pay to the OWNERS an additional sum of \$1,000. This sum shall be paid directly to the OWNERS' attorney, Michael C. Miller, 210 North Fourth Street, Klamath Falls, Oregon, from the funds held in the escrow account referred to in Section 4 above. To insure adequate funds to make this \$1,000 payment, the REDEMPTIONER, shall, prior to 4 p.m. April 17, 1983, deposit an additional \$1,000 into the closing escrow. Failure on the part of the REDEMPTIONER to make said deposit shall be deemed a material breach of this Agreement entitling OWNERS to immediately record their Trustee's Deed, recover possession of the subject property, and retain all funds previously received. This document shall be deposited into the closing escrow described in Section 4 above, and shall act as REDEMPTIONER'S supplemental escrow instructions directing Transamerica Title Insurance Company to make the \$1,000 payment provided in this Section.

6. In the event REDEMPTIONER makes the payment called for in Section 3 above, OWNERS agree to execute and deliver a sufficient



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Deed of Reconveyance to extinguish their interest in the subject property. Additionally, OWNERS will deliver their Trustee's Deed to the REDEMPTIONER. In the event the closing escrow described in Section 4 above is open, OWNERS agree to deliver to Transamerica Title Insurance Company a Deed of Reconveyance, which may only be released upon closing, and after the OWNERS have received Transamerica's check in the amount of \$25,790.79.

7. The REDEMPTIONER expressly agrees, that, in the event OWNERS become entitled, under the terms of this Agreement, to record their Trustee's Deed, the purchaser shall vacate and cause to be vacant the subject property not later than ten (10) days subsequent to such recording. Should the REDEMPTIONER fail to vacate the premises within ten (10) days of recording by the OWNERS of their Trustee's Deed, it is expressly agreed that OWNERS shall be entitled to and REDEMPTIONER shall owe \$30 for each day of continued occupancy as liquidated damages for their loss of use of the property. Additionally, the REDEMPTIONER shall be liable to the OWNERS for any and all physical damages occurring during the redemption period. Further, REDEMPTIONER agrees not to rent the subject property to anyone during the redemption period. The rental of the subject property shall be deemed a material breach of this Agreement.

8. Prior to the expiration or termination of the redemption period, REDEMPTIONER shall remove all of his personal property from the subject premises. If the REDEMPTIONER fails to remove his property from the subject premises, the OWNERS may effect a removal and place the property in public storage for the REDEMPTIONER'S account.

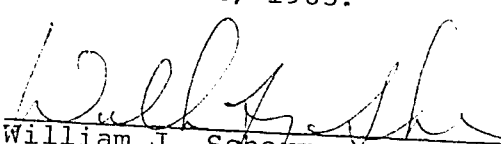


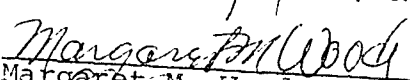
REDEMPTIONER shall be liable to the OWNERS for the cost of removal, <sup>4347</sup> transportation to storage, and storage, with interest at the rate of 1½ percent per month on said sum or sums from the date of expenditure by the OWNERS.

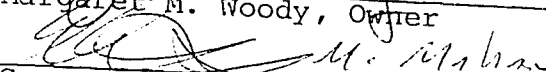
9. If suit or action is instituted in connection with any controversy arising out of this Redemption Agreement, the prevailing party shall be entitled to recover, in addition to costs, such sum as the Court may judge reasonable as attorney's fees.

10. In consideration of, and contemporaneously with the execution of this Redemption Agreement, the REDEMPTIONER agrees to dismiss Klamath County Circuit Court Action No. 82-1211-1, as it relates to the owners. REDEMPTIONER hereby declares that any cause of action that may have existed in favor of REDEMPTIONER, arising out of his purchase of the subject property has been fully satisfied in all respects as it relates to the OWNERS. REDEMPTIONER is free to pursue any cause of action he may have against all other Defendants in the aforementioned lawsuit.

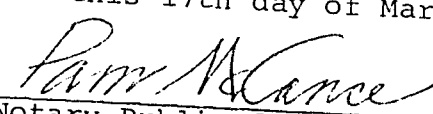
IN WITNESS WHEREOF the parties hereunto have executed this Agreement in triplicate, this 17th day of March, 1983.

  
William J. Schermer, Redemptioner

  
Margaret M. Woody, Owner

  
George E. McMahan, Owner

SUBSCRIBED AND SWORN to before me this 17th day of March, 1983.

  
Notary Public for Oregon  
My Commission Expires: 8-1-86


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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 March, 1983 at 9:39 o'clock A M., and duly recorded in Vol. M83 of Deeds on Page 4343.

Evelyn Biehn, County Clerk

Fee: \$ 20.00

By:   
Deputy