

THIS CONTRACT, made this 3RD day of August, 1983,
between the STATE OF OREGON, represented and acting by the DIRECTOR OF
VETERANS' AFFAIRS, hereinafter called the Seller, and FRANCIS M. GRAVES
and MARYANNE GRAVES, Husband and Wife, 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 land and premises situated in Klamath County, State of Oregon,
to wit:

Lot 88, MERRYMAN'S REPLAT OF VACATED PORTION OF OLD ORCHARD MANOR,
according to the official plat thereof on file in the office of the
County Clerk of Klamath County, Oregon.

PURCHASE PRICE AND PAYMENT

Buyer agrees to pay the total purchase price for the property of
the sum of \$51,000.00, payable as follows:

- A) The sum of \$2,550.00, as down payment, IN THE FORM of fair
market value of improvements to the property, hereby to be
completed by the Buyer to satisfy ORS 407.050(3) according to
the attached Purchase and Improvement Agreement.
- B) The remaining balance of \$48,450.00 shall be paid in monthly
installments of \$297.00, or more, each including interest at
the VARIABLE rate of 6.7 percent per annum from the 3RD
day of August, 1983, plus an amount necessary to accumulate
the estimated ad valorem taxes, when due and payable for each
successive year. The first of said installments to be paid on
the first day of September, 1983, and to continue on the first
day of each month thereafter until August 1, 2013, when the
full amount of principal, interest, tax advances, and other
charges shall be fully paid, such payments to be applied first
on the interest, then tax advances, the remainder on the
principal.

INTEREST RATE

The annual percentage rate during the term of this contract is
variable and shall be the same as that fixed by the Director pursuant to
ORS 407.072 and ORS 407.073.

'83 AUG 19 PM 2 34

280000

TRANSFER

The Buyer must obtain prior written consent from the Director to sell, transfer, assign, lease, hypothecate, pledge, mortgage, or in any manner dispose of any of his interest under this Agreement and in the subject real property. The interest rate from the date of transfer shall be the same as that prescribed by ORS 407.073.

POSSESSION

The parties hereto do hereby acknowledge that the purchaser will have possession of the subject property in a due and lawful manner as of the date of this contract.

BUYER FURTHER COVENANTS AND AGREES:

1. Not to permit a vacancy in, nor removal or demolition of, any buildings or improvements now or hereafter existing; to keep all buildings in good repair.
2. Not to permit cutting or removal of any trees without written consent of Seller; not to commit or suffer any waste, nor permit any objectionable or unlawful use of premises.
3. Not to permit any delinquent assessment, liens, or encumbrances to exist at any time.
4. To keep all insurable improvements insured during term of contract against loss by fire and other hazards, in company or companies for the maximum insurable amount, or the contract balance. All policies will be made in the name of the Seller with a contract of sale clause in favor of the Buyer. If Buyer fails to effect insurance, Seller may secure same, add cost to balance and cost shall be a debt due. At Seller's option, proceeds of insurance may be used to repair or replace buildings.
5. At Seller's option, all damages received, under right of eminent domain, or for any security voluntarily released, shall be applied to indebtedness.
6. Seller will apply full amount of each payment (base monthly payment plus one-twelfth of estimated tax) to interest and principal when received. Seller will pay real property taxes when due and add same to principal balance. Monthly payments may change from year to year due to fluctuation of real property taxes.

7. Seller's acceptance of delayed payments or performance shall not constitute a waiver by Seller of strict compliance with the contract.
8. If any action or suit is begun or attorney employed by Seller to enforce any remedy under this contract, Buyer agrees to pay costs, including a title report and attorney's fees.
9. If Buyer fails to make all payments when due or keep all agreements of this contract, Seller shall have the right to declare the Agreement null and void, and all right, title, and interest existing in favor of Buyer shall utterly cease and determine, and premises shall revert, without any declaration, forfeiture, re-entry, or other act, to Seller and without any right of Buyer to reclamation for payments, or improvements, same being considered as liquidated damages for nonperformance of this contract; Seller may without notice or demand, enter premises, repossess same, expel Buyer and those claiming under him, remove his effects without being guilty of trespass, and without prejudice to any other remedies which might be used. Seller may elect to consider this contract as existing and declare immediately due and payable the unpaid purchase price, including taxes, interest, and other charges or advances, by reason of any default of Buyer. Time herein is declared to be of the essence.
10. The property being purchased under this contract is sold in an "as is" condition without warranty. Buyer further agrees to hold Seller harmless from any debts incurred for any repairs or maintenance that may be incurred during the term of this contract.

WAIVER:

Failure by seller at any time to require performance by purchaser of any other provisions hereof shall in no way affect seller's rights hereunder to enforce the same, nor shall any waiver by seller of any breach hereof be held to be a waiver of any succeeding breach, or a waiver of this nonwaiver clause.

WARRANTY DEED:

If Buyer shall make all payments at the time specified and strictly perform all agreements according to the tenor of this contract, then seller will furnish Buyer a Warranty Deed showing marketable title as of the date of this agreement; subject, however, to any vested rights or easements not of record.

14001

PAYMENTS:

Buyer has the privilege to increase payments, or pay the entire remaining balance hereunder in full, without penalty.

PLURAL AND SINGULAR:

In construing this Agreement, it is understood that the Vendor or Purchaser may be more than one person; 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.

14002

SELLER

IN WITNESS WHEREOF, Seller has caused this contract to be executed in duplicate on its behalf by the Director of Veterans' Affairs, and Buyer has hereunto set his hand and seal.

STATE OF OREGON

BY: Leonard P. Hill
LEONARD P. HILL - BRANCH MANAGER

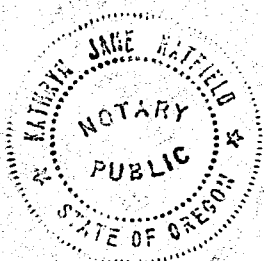
Acting for the Director of
Veterans' Affairs

STATE OF OREGON

County of Clatsop } SS

On this 16th day of Aug, 1983, before me a Notary Public, personally appeared the above named, Leonard P. Hill, acting for the Director of Veterans' Affairs, for the State of Oregon, and acknowledged the foregoing instrument to be his voluntary act and deed.

WITNESS my hand and official seal.



Vicki Wimer
Notary Public for Oregon
My Commission Expires: 3-10-87

Francis M. Graves
FRANCIS M. GRAVES - Buyer

Maryanne Graves
MARYANNE GRAVES - Buyer

STATE OF OREGON

County of Coos } SS

On this 3rd day of August, 1983, before me a Notary Public personally appeared the above named and acknowledged the foregoing instrument to be their voluntary act and deed.

WITNESS my hand and official seal.

Kathryn Jane Hatfield
Notary Public for Oregon
My Commission Expires: 6/24/84

14003

After recording, return to:

Department of Veterans' Affairs
124 North 4th Street
Klamath Falls, Oregon 97601

Until a change is requested, all
tax statements shall be sent to
the following address:

Department of Veterans' Affairs
Tax Division
1225 Ferry Street, SE
Salem, Oregon 97310

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 _____, on page _____,
or as file/reel number _____,
Record of Deeds of said County.

Witness my hand and seal of
County affixed.

Recording Officer

BY: _____

Deputy

CO-1650

14004

PURCHASE AND IMPROVEMENT AGREEMENT

THIS AGREEMENT, made this _____ day of _____, 19____, by and between the State of Oregon, acting by and through the Department of Veterans' Affairs, and hereinafter called the Seller, and FRANCIS M. GRAVES and MARYANNE GRAVES, Husband and Wife, hereinafter called the Purchaser.

Purchaser hereby agrees to complete all improvements to the property located at 1131 Merryman Drive, Klamath Falls, Oregon, in accordance with the approved plans and specifications hereby accepted to satisfy the requirements of ORS 407.050(3).

The improvements to be completed are:

1. Remove and replace all carpets and pads.
2. Paint all walls inside and all woodwork.
3. Paint all exterior walls.
4. Replace all loose and missing bricks.

Purchaser further covenants and agrees:

1. That all improvements will be completed in a workmanlike manner at no cost to the Department of Veterans' Affairs.
2. Not to permit any liens for labor or materials, or delinquent assessments, to exist on subject property at any time.
3. To complete all improvements in accordance with the approved plans and specifications within 180 days of purchase.
4. That failure by the Purchaser to complete the improvements within the time allowed shall be considered a breach of the purchase agreement, and grounds for foreclosure by the Director.
5. To assume any liability for any loss in market value suffered by the property as a result of nonperformance of this agreement.
6. That all improvements must be inspected and approved by the Department of Veterans' Affairs to fulfill this agreement.

SIGNED:

WITNESSED:

BY:

James W. Wesley
JAMES W. WESLEY

Francis M. Graves
FRANCIS M. GRAVES

Maryanne Graves
MARYANNE GRAVES

IMPROVEMENTS COMPLETED:

BY:

MICHAEL L. SCHNEYDER

STATE OF OREGON: COUNTY OF KLAMATH ; ss

I hereby certify that the within instrument was received and filed for record on the 19th day of August A.D., 19 83 at 2:34 o'clock P M and duly recorded in Vol M83, of Deeds on page 13998

EVELYN BIEHN COUNTY CLERK

by [Signature] Deputy

FEE \$ 28.00