

THIS CONTRACT, made this 30th day of November, 1983
between the STATE OF OREGON, represented and acting by the DIRECTOR OF
VETERANS' AFFAIRS, hereinafter called the Seller, and LEONARD VEARL
PROCK, JR. AND MARY KATHLEEN PROCK, 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 3, Block 3, PINE GROVE RANCHETTES, in the County of Klamath,
State of Oregon.

TOGETHER WITH THE FOLLOWING DESCRIBED MOBILE HOME WHICH IS FIRMLY AFFIXED
TO THE PROPERTY: Year/1979, Make/Sequoia, Serial Number/4265, Size/24x60.

PURCHASE PRICE AND PAYMENT

Buyer agrees to pay the total purchase price for the property of
the sum of \$38,500.00, payable as follows:

- A) The sum of \$1,925.00, 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 \$36,575.00 shall be paid in monthly
installments of \$330.00, or more, each including interest at
the VARIABLE rate of 9 percent per annum from the 30th day
of November, 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 January, 1984, and to continue on the first
day of each month thereafter until December 1, 2003, 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.

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38.00

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.

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.
11. THIS INSTRUMENT DOES NOT GUARANTEE THAT ANY PARTICULAR USE MAY BE MADE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT. A BUYER SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

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.

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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.

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.

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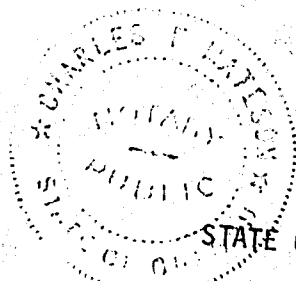
SELLER

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

002394 } County of Klamath } SS

On this 240 day of December, 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.

Charles F. Mateson
Notary Public for Oregon
My Commission Expires: 10-18-86

Leonard P. Hill
LEONARD PEARL PROCK, JR. - Buyer

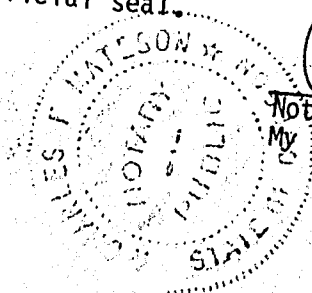
Mary Kathleen Prock
MARY KATHLEEN PROCK - Buyer

STATE OF OREGON

County of Klamath } SS

On this 2 day of December, 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.



Charles F. Mateson
Notary Public for Oregon
My Commission Expires: 10-18-86

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PURCHASE AND IMPROVEMENT AGREEMENT

THIS AGREEMENT, made this 30th day of November, 1983 by and between the State of Oregon, acting by and through the Department of Veterans' Affairs, and hereinafter called the Seller, and LEONARD VEARL PROCK, JR. AND MARY KATHLEEN PROCK, Husband and Wife, hereinafter called the Purchaser.

Purchaser hereby agrees to complete all improvements to the property located at 3429 Hal Court, 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. Resurface driveway in accordance with plans.
2. Rebuild back deck in accordance with plans.
3. Replace heat shields and repair wood stove and bring up to County Building Code.
4. Replace damaged wall paneling.
5. Repair moulding at breakfast bar.
6. Repair metal shutters.
7. Repair front storm door.
8. Fence property.
9. Install metal gate at driveway entry.
10. Install concrete blocks from drive to front porch.
11. ~~Install front deck and cover.~~

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.

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6. That all improvements must be inspected and approved by the Department of Veterans' Affairs to fulfill this agreement.

WITNESSED:

SIGNED:

BY: James W. Wesley
JAMES W. WESLEY

Leonard Vearl Prock, Jr.
LEONARD VEARL PROCK, JR.
Mary Kathleen Prock
MARY KATHLEEN PROCK

IMPROVEMENTS COMPLETED:

BY: MICHAEL L. SCHNEYDER

After recording, return to:

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

STATE OF OREGON

County of Klamath } SS

I certify that the within instrument was received for record on the 12th day of Dec., 1983, at 9:05 o'clock A.M., and recorded in Book M83, on page 21093 or as file/reel number 31450, Record of Deeds of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk
Recording Officer

BY: Sam Smith
Deputy

Fee: \$28.00

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