

CONTRACT OF SALE

DATED: MAY 3, 1985

BETWEEN:

The State of Oregon
by and through the
Director of Veterans' Affairs

AND: JOHN R. CAMERON

SELLER

BUYER(S)

On the terms and conditions set forth below, Seller agrees to sell and Buyer agrees to buy the following described real property (the "property"):
Lot 2, Block 97, BUENA VISTA ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.

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. Subject only to the following encumbrances:

Regulations, including levies, liens and utility assessments of the City of Klamath Falls.
Agreement, including the terms and provisions thereof
Dated: June 29, 1976
Recorded: September 27, 1976
Book: M-76
Page: 15180

Between: W. J. Easter and Jennie Easter, Husband and Wife and Robert L. Snook and Patricia Ann Snook, Husband and wife
For: Encroachment of structure on Lot 1 onto Lot 2.

TAX STATEMENT

Until a change is requested, all tax statements shall be sent to: Department of Veterans' Affairs
Tax Division C-104844
Oregon Veterans' Building
700 Summer Street, NE
Salem, Oregon 97310-1201

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SECTION 4. EMINENT DOMAIN.
If a condemning authority takes all or any portion of the property in the project, the portion of the project that remains shall be treated as a separate project. The portion of the project that remains shall be treated as a separate project.

SECTION 5. SECURITY AGREEMENT
This instrument shall constitute a security agreement within the meaning of the Uniform Commercial Code with respect to any personal property included within the description of the property. Upon request of Seller, Buyer shall execute any necessary financing statements in the form required by the Uniform Commercial Code and shall file the same with the appropriate filing office. Upon request of Seller, Buyer shall execute any necessary financing statements in the form required by the Uniform Commercial Code and shall file the same with the appropriate filing office. Upon request of Seller, Buyer shall execute any necessary financing statements in the form required by the Uniform Commercial Code and shall file the same with the appropriate filing office.

SECTION 6. ASSIGNMENT.
This instrument shall constitute a security agreement within the meaning of the Uniform Commercial Code with respect to any personal property included within the description of the property. Upon request of Seller, Buyer shall execute any necessary financing statements in the form required by the Uniform Commercial Code and shall file the same with the appropriate filing office. Upon request of Seller, Buyer shall execute any necessary financing statements in the form required by the Uniform Commercial Code and shall file the same with the appropriate filing office. Upon request of Seller, Buyer shall execute any necessary financing statements in the form required by the Uniform Commercial Code and shall file the same with the appropriate filing office.

Buyer from time to time shall pay all amounts due under this Contract, and which Buyer has not committed to the repair proceeds to pay all amounts due under this Contract, and which Buyer has not committed to the repair proceeds to pay all amounts due under this Contract, and which Buyer has not committed to the repair

days after their receipt, and Buyer shall share in the condemnation proceeds in proportion to the values of their balance due on the Contract.

PROPERTY DOMAIN

3.2 APPLICATION OF PROCEEDS. All proceeds of any insurance policy covering the property shall be paid to Seller, or to the order of Seller, and shall be used to pay first accrued interest and then the principal amount of the debt secured by this Contract. If Buyer chooses not to restore the property, Seller shall be entitled to the proceeds of the insurance policy, and shall pay the balance of the insurance proceeds to Buyer. Any proceeds which have not been paid out within 60 days of the date of the insurance policy shall be used to pay first accrued interest and then the principal amount of the debt secured by this Contract. If Buyer chooses to restore the property, Seller shall be entitled to the proceeds of the insurance policy, and shall pay the balance of the insurance proceeds to Buyer. Any proceeds which have not been paid out within 60 days of the date of the insurance policy shall be used to pay first accrued interest and then the principal amount of the debt secured by this Contract. If Buyer chooses not to restore the property, Seller shall be entitled to the proceeds of the insurance policy, and shall pay the balance of the insurance proceeds to Buyer. Any proceeds which have not been paid out within 60 days of the date of the insurance policy shall be used to pay first accrued interest and then the principal amount of the debt secured by this Contract. If Buyer chooses to restore the property, Seller shall be entitled to the proceeds of the insurance policy, and shall pay the balance of the insurance proceeds to Buyer. Any proceeds which have not been paid out within 60 days of the date of the insurance policy shall be used to pay first accrued interest and then the principal amount of the debt secured by this Contract.

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SECTION 3. INSURANCE.

River shall get and keep policies of fire insurance with standard coverage endorsements (and any other improvements on the property. Such insurance shall be in an amount sufficient to avoid contest in good faith any such requirements and withhold compliance during any proceeding.

authorities applicable to the use or occupancy of the property.

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1.6 PLACE OF PERFORMANCE: Buyer shall give written notice to Seller of the place of performance of the Contract, and Seller shall make payments at such place.

1.7 WARRANTY DEED: Upon payment of the total purchase price for the property as provided in the contract, Seller shall deliver to Buyer a Warranty Deed. Such Warranty Deed shall warrant marketable title to Buyer, free from all liens, encumbrances, easements, or other claims, except those specifically noted in the deed. The Warranty Deed shall also contain a covenant of quiet enjoyment for the full term of the contract. If the property is sold by Seller to a third party after the date of this Contract, Seller shall provide a copy of the Warranty Deed to the third party. If the property is sold by Seller to a third party before the date of this Contract, Seller shall provide a copy of the Warranty Deed to the third party. If the property is sold by Seller to a third party after the date of this Contract, Seller shall provide a copy of the Warranty Deed to the third party. If the property is sold by Seller to a third party before the date of this Contract, Seller shall provide a copy of the Warranty Deed to the third party.

1.5 PRE-PAYMENTS. Buyer may prepay all or any portion of the balance due on the Contract at any time without penalty. _____ percent per annum.

13. TERM OF CONTRACT. This is a _____ year Contract and the final payment is due on the Contract. When Seller pays the taxes of _____ payment of taxes and associated costs shall be the responsibility of the Seller. The annual interest rate during the term of this Contract is variable; it cannot increase by more than one (1) percent except to maintain the interest rate by Administrative Rule pursuant to the provisions of ORS 407.375 (4).

June

or shall pay an amount estimated by Seller to be sufficient to pay taxes, interest, and assessments on this Contract shall change if the interest rate changes or if the taxes and assessments change. The money paid by Buyer for taxes and assessments will not be held in reserve by Seller. When Buyer pays Seller for taxes and assessments, that amount will be added to the balance due on the Contract.

2005

May 1

(month, day)

(year)

The balance due on the contract of \$ 30,295.00 shall be paid in payments beginning on the date of the first payment.

1.2 PAYMENT OF TOTAL PURCHASE PRICE. The total purchase price shall be paid by Buyer, as down payment on the purchase price of the property, which amount constitutes the fair market value of improvement to be completed by the Seller acknowledges receipt of the sum of \$ 205.00.

as the total purchase price for the 30,500.00

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REMEDIES ON DEFAULT.

- (a) Declare the entire balance due on the Contract, including interest, immediately due and payable;
- (b) Foreclose this Contract by suit in equity;
- (c) Specifically enforce the terms of this Contract by suit in equity;
- (d) Exercise the rights and remedies of a secured party as provided by the Uniform Commercial Code. Seller may exercise these rights and remedies with respect to any part of the property which constitutes personal property in which Seller has a security interest.
- (e) Choose to impose a late charge. The charge will not exceed five (5) cents per dollar of the payment in the event Buyer fails to make any payment within 10 days after it is due.
- (f) Declare this Contract to be void thirty (30) or more days after Seller gives written notice to Buyer of Seller's intention to do so, unless the performance then due under this Contract is tendered or accomplished prior to the time stated. At the end of the thirty (30) days, all of Buyer's rights under this Contract shall cease without further act by Seller. Seller shall then be entitled to immediate possession of the property. All payments previously made to Seller by Buyer may be kept by Seller as reasonable rental of the property up to the time of default.
- (g) Appoint a receiver. Seller shall be entitled to the appointment of a receiver as a matter of right. It does not matter whether or not the apparent value of the property exceeds the amount of the balance due on the Contract. Any receiver appointed may serve without bond. Employment by Seller shall not disqualify a person from serving as a receiver. Upon taking possession of all or any part of the property, the receiver may:
- (i) Use, operate, manage, control, and conduct business on the property and make necessary expenditures for all maintenance and improvements that in the receiver's judgement are proper;
 - (ii) Collect all rents, revenues, income, issues, and profits from the property and apply such sums to the necessary expenses of use, operation, and management;
 - (iii) Complete any construction in progress on the property, at Seller's option. To complete that construction, receiver may pay all bills, borrow funds, employ contractors, and make any changes in plans and specifications that Seller deems appropriate.
- If the revenues produced by the property are insufficient to pay expenses, the receiver may borrow, from Seller or otherwise, such sums as receiver deems necessary. These sums shall be used for the purposes stated in this paragraph. Repayment of such sums shall be secured by this Contract. Amounts borrowed from or advanced by Seller shall bear interest at the same rate as the balance on this Contract. Interest shall be charged from the date the amount is borrowed or advanced until the amount is repaid. Any amount borrowed shall be paid by Buyer on demand.
- (h) Elect to collect all rents, revenues, income, issues, and profits (the "Income") from the property, whether due now or later. Prior to default, Buyer may operate and manage the property and collect the income from the property. In the event of default and at any time hereafter, Seller may revoke Buyer's right to collect the income from the property. Seller may collect the income either through itself or a receiver. Seller may notify any tenant or other user to make payments of rents or use fees directly to Seller. If the income is collected by Seller, then Buyer irrevocably designates Seller as Buyer's attorney-in-fact and gives Seller permission to endorse rent or fee checks in Buyer's name. Buyer also gives Seller permission to negotiate and collect such rents or fees. Payments by tenants or other users to Seller in response to Seller's demand shall satisfy the obligation for which the payments are made, whether or not any proper grounds for the demand existed. Seller shall apply the Income first to the expenses of renting or collection and the balance (if any) to payment of sums due from Buyer to Seller under this Contract.

6.3 REMEDIES NONEXCLUSIVE.

The remedies provided above shall not exclude any other remedies provided by law. They are in addition to any other such remedies.

SECTION 7. SELLER'S RIGHT TO CURE

If Buyer fails to perform any obligation required of it under this Contract, Seller may, without notice, take any steps necessary to remedy such failure. Buyer shall reimburse Seller for all amounts expended in so doing on demand. Such action by Seller shall not constitute a waiver of the default or any other right or remedy which Seller may have on account of Buyer's default.

SECTION 8. WAIVER

Failure of either party at any time to require performance of any provision of this Contract shall not limit the party's right to enforce the provision. If a party waives a breach of any provision of this Contract, the waiver applies only to that specific breach. It does not apply to the provision itself.

SECTION 9. INDEMNIFICATION

Buyer shall forever defend, indemnify, and hold Seller harmless from any claim, loss, or liability arising out of or in any way connected with Buyer's possession or use of the property; Buyer's conduct with respect to the property, or any condition of the property. In the event of any litigation or proceeding brought against Seller and arising out of or in any way connected with any of the above events or claims, against which Buyer agrees to defend Seller, Buyer shall, upon notice from Seller, vigorously resist and defend such actions or proceedings through legal counsel reasonably satisfactory to Seller.

SECTION 10. SUCCESSOR INTERESTS

This Contract shall be binding upon and for the benefit of the parties, their successors, and assigns. But no interest of Buyer shall be assigned, subcontracted, or otherwise transferred, voluntarily or involuntarily, without the prior written consent of Seller. Consent by Seller to one transfer shall not constitute consent to other transfers or waiver of this section.

As a condition to such consent, Seller may increase the interest rate under this Contract from the date of the transfer. Any increase in the interest rate under this Contract shall entitle the Seller to increase monthly payments. Monthly payments may be increased to the amount necessary to retire the obligation within the time provided for in Section 1, 1.3, in this Contract. Any attempted assignment in violation of this provision shall be void and of no effect with respect to Seller. Buyer hereby waives notice of and consent to any and all extensions and modifications of this Contract granted by Seller. Any other person at any time obligated for the performance of the terms of this Contract also hereby waives such notice and consent. Any such extensions or modifications will not in any way release, discharge, or otherwise affect the liability of any person at any time obligated under this Contract.

SECTION 11. TRANSFER FEE

If any interest of the Buyer under this Contract is assigned, subcontracted, or otherwise transferred, a fee to cover administrative costs will be immediately due and payable to Seller. The amount of the fee shall be prescribed by Seller's duly adopted Oregon Administrative Rule 274-20-440.

SECTION 12. NOTICE

Any notice under this Contract shall be in writing and shall be effective when actually delivered in person or ten (10) days after being deposited in the U.S. mail, postage prepaid and addressed to the party at the address stated in this Contract or such other address as either party may designate by written notice to the other.

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CONTRACT NO.

SECTION 13. COSTS AND ATTORNEY FEES

Events may occur that would cause Seller or Buyer to take some action, judicial or otherwise, to enforce or interpret terms of this Contract. Should such actions be taken, the prevailing party shall be entitled to recover from the other party all expenses reasonably incurred in taking such action. Such expenses shall include, but are not limited to the following costs:

- Cost of searching records,
- Cost of title reports,
- Cost of surveyors' reports,
- Cost of foreclosure reports,
- Cost of attorney fees,

whether incurred in a suit or action, in an appeal from a judgement or decree therein, or in connection with nonjudicial action.

SECTION 14. SURVIVAL OF COVENANTS

Any covenants, the full performance of which is not required prior to the closing or final payment of the purchase price, shall survive the closing and the final payment of the purchase price. Such covenants shall be fully enforceable thereafter in accordance with their terms.

SECTION 15. GOVERNING LAW; SEVERABILITY

This Contract shall be governed by the laws of the State of Oregon. In the event that any provision or clause of this Contract conflicts with applicable law, such conflict shall not affect any other provision and, to this end, the provisions of this Contract are severable.

SECTION 16. REPRESENTATIONS; CONDITION OF PROPERTY

Buyer accepts the land, buildings, improvements, and all other aspects of the property, and any personal property sold under this Contract, in their present condition, AS IS. Present condition includes latent defects, without any representations or warranties, expressed or implied, unless they are expressly set forth in this Contract or are in writing signed by Seller. Buyer agrees that Buyer has ascertained, from sources other than Seller, the applicable zoning, building, housing, and other regulatory ordinances and laws. Buyer also agrees to accept 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. Buyer agrees that Seller has made no representations with respect to such laws or ordinances.

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. This document is the entire, final, and complete agreement of the parties, pertaining to the sale and purchase of the property. The document supersedes and replaces all prior or existing written and oral agreements (including any sale or earnest money agreement) between the parties or their representatives relating to the property.

IN WITNESS WHEREOF, the parties have caused this Contract to be executed in duplicate as of the first day and year above written:

BUYER(S):

John R. Cameron
John R. Cameron

STATE OF OREGON

County of KLAMATH } ss

MAY 3 1985

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Personally appeared the above named JOHN R. CAMERON
and acknowledged the foregoing Contract to be his (her) voluntary act and deed.

Before me: Susan [Signature]
My Commission Expires: 6-28-85
Notary Public For Oregon

SELLER:
Director of Veterans' Affairs

By: Gwen Ulrey
Gwen Ulrey
Manager, Loan Processing
Title

STATE OF OREGON

County of Deschutes } ss

April 29 1985

Personally appeared the above named Gwen Ulrey
and, being first duly sworn, did say that he (she) is duly authorized to sign the foregoing Contract on behalf of the Department of Veterans' Affairs by
authority of its Director.

Before me: [Signature]
My Commission Expires: 08-29-86
Notary Public For Oregon

CONTRACT OF SALE

~~FOR COUNTY RECORDING INFORMATION ONLY~~

Exhibit "A"
Buyer has agreed to make improvements to the property in lieu of the other means of satisfying the down payment requirements. The value of improvements to be completed by the buyer is \$1,600.00. Buyer shall make the improvements in accordance with the Property Improvement Agreement, Form 590-M, signed this date. The value of the improvements will not reduce the balance on the contract; it will increase the value of the property.

AFTER RECORDING, RETURN TO:

DEPARTMENT OF VETERANS' AFFAIRS
155 NE REVERE AVENUE
BEND, OREGON 97701

C04844
CONTRACT NO.

STATE OF OREGON: COUNTY OF KLAMATH: ss
I hereby certify that the within instrument was received and filed for record on the 6th day of May A.D., 1985 at 10:42 o'clock A M., and duly recorded in Vol M85, of Deeds on page 6606.

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Fee: \$ 21.00

EVELYN BIEHN, COUNTY CLERK
by: [Signature], Deputy