

52227

ATC-M-29022

Vol. 1185 Page 13059

DEPARTMENT OF VETERANS' AFFAIRS

## CONTRACT OF SALE

DATED: AUGUST 14, 1985

BETWEEN:

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

SELLER

AND:

DEAN A. FLOHR, a single man

BUYER(S)

AUG 19 11 57 AM '85

On the terms and conditions set forth below, Seller agrees to sell and Buyer agrees to buy the following described real property (the "property"):  
As described on the attached Exhibit "A" and by reference made a part hereof:

Subject only to the following encumbrances:

1. Rights of the public in and to any portion of the herein described premises lying within the boundaries of roads or highways.

2. Easement as disclosed by instrument:

For : Electric Poles and Wire Maintenance

Granted to : California Oregon Power Company

Recorded : March 20, 1926

Book : 69

Page : 383

(No exact location)

## TAX STATEMENT

Until a change is requested, all tax statements shall be sent to: Department of Veterans' Affairs  
Tax Division C 05565

Oregon Veterans' Building

700 Summer Street, NE

Salem, Oregon 97310-1201

## Page 2 of 5

**6.2 REMEDIES ON DEFAULT.** In the event of a default, Seller may take any one or more of the following steps:

- (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.

C05565

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**

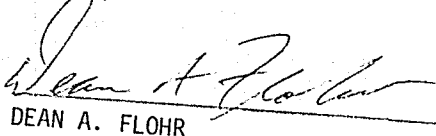
Buyer accepts the land, buildings, improvements, and all other aspects of the property, and any personal property sold under this Contract, in their present condition, AS IS. Present condition includes latent defects, without any representations or warranties, expressed or implied, unless they are expressly 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.

none

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):

  
DEAN A. FLOHR

C05565

CONTRACT NO.

STATE OF OREGON

County of Klamath

ss

August 14, 1985

13063

Personally appeared the above named Dean A. Flohr, a single man  
and acknowledged the foregoing Contract to be his ~~own~~ voluntary act and deed.

Before me: Susan C. Cook

My Commission Expires: 6-21-88

Notary Public For Oregon

SELLER:

Director of Veterans' Affairs

By Fred Blanchfield

FRED BLANCHFIELD

Acting Manager, Loan Processing

Title

STATE OF OREGON

County of Deschutes

ss

August 13, 1985

Personally appeared the above named Fred Blanchfield  
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]

Notary Public For Oregon

My Commission Expires: 08-29-86

### CONTRACT OF SALE

FOR COUNTY RECORDING INFORMATION ONLY

[Large rectangular area with a large 'X' drawn across it, indicating no recording information.]

AFTER RECORDING, RETURN TO: ATC

C05565

CONTRACT NO.

EXHIBIT "A"

13064

A Parcel of land in the NE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 23, Township 39 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning on the North line of Section 23, at a point which is 77 feet West of the Northeast corner of said NE $\frac{1}{4}$  of NW $\frac{1}{4}$ ; thence West along said North line 264 feet; thence South and parallel with the East line of said NE $\frac{1}{4}$ NW $\frac{1}{4}$  165 feet to that parcel deeded to Nellie A. Luttrell in M-72 at page 117; thence East and parallel with the North line of the NE $\frac{1}{4}$ NW $\frac{1}{4}$  to the beginning point of that parcel deeded in M-74 at page 16319 to Charley R. Holliday and Evelyn K. Holliday; thence North to the true point of beginning.

TOGETHER WITH easement for ingress and egress appurtenant to the herein described property, more particularly described as follows:

Beginning at a point N89°31'24"W, 77.00 feet and S0°40'29" W. 165.00 feet from the North  $\frac{1}{2}$  corner of Section 23, Township 39 South, Range 8 East of the Willamette Meridian, to an iron pin which is the True Point of Beginning; thence Southerly 296.00 feet along the East boundary line of the parcel of land described in the deed to Charley R. Holliday, etux, recorded December 27, 1974 in Volume M74, page 16318, to the Southeast corner of said parcel; thence Southwesterly along the South boundary of said parcel 32 feet to a point; thence Northerly and parallel to the East line of above mentioned parcel to a point on the North boundary line of said Holliday parcel, which lies 30 feet west of the True Point of Beginning; thence Easterly along said North line of Holliday parcel, 30 feet, more or less, to the True Point of Beginning.

Together with the following described mobile home which is firmly affixed to the property:

1978 HOMETTE 24 x 66 mobile home, serial no. 03830268L

C 05565  
Contract Number

EXHIBIT "B"

13065

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 \$ 2,027.00. 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.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of \_\_\_\_\_ the 19th day  
of August A.D., 19 85 at 11:57 o'clock A M., and duly recorded in Vol. M85,  
of Deeds on Page 13059.  
FEE \$29.00  
By Evelyn Biehn County Clerk  
[Signature]