

53477

DEPARTMENT OF VETERANS' AFFAIRS

K-38064
CONTRACT OF SALEVol. M&S Page 15168DATED: September 16, 1985

BETWEEN:

The State of Oregon
by and through the
Director of Veterans' AffairsAND: STEPHEN D. LEE, Husband

SELLER

BEVERLY L. LEE, Wife

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"):
As described on the attached Exhibit "A" and by reference made a part thereof:

Subject only to the following encumbrances:

1. Liens and assessments of Klamath Project and Klamath Irrigation District, and regulations, contracts, easements, water and irrigation rights in connection therewith.
2. Rules, regulations and assessments of South Suburban Sanitary District.
3. Rules, regulations, liens, and assessments of Klamath Basin Improvement District, and any unpaid charges or assessments in connection therewith.
4. Grant of Right of Way, including the terms and provisions thereof, given by Union High School District #2 of Klamath County, Oregon to Pacific Power & Light Company, a Maine corporation, dated April 8, 1963, recorded June 5, 1963, in Volume 345 page 587, Deed records of Klamath County, Oregon, for transmission line.

TAX STATEMENT

Until a change is requested, all tax statements shall be sent to: Department of Veterans' Affairs
Tax Division C 05769
Oregon Veterans' Building
700 Summer Street, NE
Salem, Oregon 97310-1201

Legal correct PL
Payment amount correct PL

15169

1.1 TOTAL PURCHASE PRICE. Buyer agrees to pay Seller the sum of \$ 28,000.00

Seller acknowledges receipt of the sum of \$ 0.00 from Buyer, as down payment on the purchase price.

The balance due on the Contract of \$ 28,000.00 shall be paid in payments beginning on the first day of

November 1, 1985. The initial payments shall be \$ 252.00

1.3 **TERM OF CONTRACT.** This is a 20 year Contract and the final payment is due October 1 2005
(month, day) (year)

1.4 **INTEREST RATE.** 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 integrity of the Department of Veterans' Affairs. The Seller may periodically change the interest rate by Administrative Rule pursuant to the provisions of ORS 407.375 (4).

1.6 PLACE OF PAYMENTS. All payments to Seller shall be made to Department of Veterans' Affairs at 700 Summer Street, N.E., Salem, Oregon 97310-1201, Seller gives written notice to Buyer to make payments at some other place.

1.7 **WARRANTY DEED.** Upon payment of the total purchase price for the property as provided for by this Contract and performances by Buyer of all other terms, conditions, and provisions of the Contract, Seller shall deliver to Buyer a Warranty Deed. Such Warranty Deed shall warrant marketable title, except for those liens and

SECTION 2. POSSESSION; MAINTENANCE

2.1 POSSESSION. Buyer shall be entitled to possession of the property from and after the date of this Contract. It is understood, and agreed, however, that will permit Seller and its agents to enter the property at reasonable times, to inspect the property. Buyer shall not permit the premises to be vacant for more than thirty

2.2 MAINTENANCE. Buyer shall keep all buildings, other improvements, and landscape now existing, or which shall be placed on the property, in good condition and repair. Buyer shall not permit any waste or removal of the improvements, nor make any substantial improvements or alterations without the prior written consent of the Seller.

2.3 COMPLIANCE WITH LAWS. Buyer shall promptly comply with all laws, ordinances, regulations, directions, rules, and other requirements of all governmental entities applicable to the use or occupancy of the property. In this compliance, Buyer shall promptly make all required repairs, alterations, and additions. Buyer may

SECTION 3. INSURANCE

3.1 **PROPERTY DAMAGE INSURANCE.** Buyer shall get and keep policies of fire insurance with standard extended coverage endorsements (and any other endorsements required by Seller) on an actual cash value basis covering all improvements on the property. Such insurance shall be in an amount sufficient to avoid

3.2 APPLICATION OF PROCEEDS. All proceeds of any insurance on the property shall be held by Seller. If Buyer chooses to restore the property, Buyer shall replace the damaged or destroyed portion of the property in a manner satisfactory to Seller. Upon satisfactory proof of restoration, Seller shall pay or reimburse

SECTION 4. EMINENT DOMAIN

If a condemning authority takes all or any portion of the property, Buyer and Seller shall share in the condemnation proceeds in proportion to the values of their respective interests in the property. Sale of the property in lieu of condemnation shall be treated as a taking of the property.

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 scope 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

SECTION 6. DEFAULT

(a) Failure of Buyer to make any payment when payment is due. No notice of default and no opportunity to cure shall be required if during any twelve (12)-month period Seller has already sent three (3) notices to Buyer concerning non-payment or late payment under this Contract.

CONTRACT NO.

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.

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):

Stephen D. Lee
STEPHEN D. LEE

Beverly L. Lee
BEVERLY L. LEE

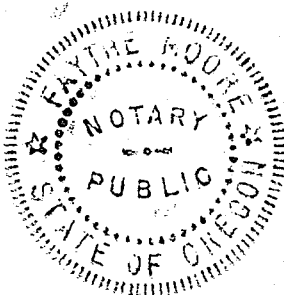
STATE OF OREGON

County of Klamath) ss

September 16, 19 85

15172

Personally appeared the above named Stephen D. Lee and Beverly L. Lee, Husband and Wife
and acknowledged the foregoing Contract to be ~~X~~ (their) voluntary act and deed.



Before me: Faythe Moore

My Commission Expires: 8/27/85

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

September 12, 19 85

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

AFTER RECORDING, RETURN TO:

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

CONTRACT NO. _____

C 05769
Contract Number

15173

EXHIBIT "B"

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 \$1,474.00. 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.

EXHIBIT "A"

The following described real property situated in Klamath County, Oregon:

PARCEL 1:

Beginning at a point 950 feet North of the Southwest corner of Section 2, Township 39 South, Range 9 East of the Willamette Meridian, running East 119 feet; thence North 100 feet; thence West 119 feet; thence South 100 feet to the point of beginning, being a portion of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 2, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

EXCEPTING THEREFROM the Westerly 30 feet of the above described property conveyed to Klamath County for road purposes.

PARCEL 2:

A parcel of land situated in the SW $\frac{1}{4}$ of Section 2, Township 39 South, Range 9 East of the Willamette Meridian, more particularly described as follows: Beginning at the intersection of the Easterly line of Summers Lane with the South line of said Section 2; thence North 0°04' West along the Easterly line of Summers Lane a distance of 30 feet; thence South 89°32' East parallel with the South line of said Section 2 a distance of 208 feet; thence North 0°04' West parallel with the Easterly line of Summers Lane a distance of 920 feet; thence North 89°32' West parallel with the South line of said Section 2 a distance of 119 feet to a one-half inch iron pin marking the True Point of Beginning of this description; thence North 0°04' West parallel with the Easterly line of Summers Lane a distance of 100 feet to a one-half inch iron pin; thence South 89°32' East parallel with the South line of said Section 2 a distance of 35 feet; thence South 0°04' East parallel with the Easterly line of Summers Lane a distance of 100 feet; thence North 89°32' West parallel with the South line of said Section 2 a distance of 35 feet to the True Point of Beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the _____ 17th day
of September A.D., 19 85 at 11:20 o'clock A M., and duly recorded in Vol. M85
of Deeds on Page 15168

FEE \$25.00

By Evelyn Biehn County Clerk

[Signature]