

55604

THIS CONTRACT, made and entered into this 13th day of November, 1985 by and between DENNIS J. MAHONEY and CHARLOTTE H. MAHONEY, husband and wife, hereinafter called Seller, and ROBERT W. DENNEY and LOU ELLEN DENNEY, husband and wife hereinafter called Buyer (it being understood that the singular shall include the plural if there are two or more sellers and/or buyers).

WITNESSETH:

Seller agrees to sell to the Buyer and the Buyer agrees to buy from the Seller for the price and on the terms and conditions set forth hereafter all of the following described property and improvements legally described on Exhibit "A", attached hereto and incorporated by reference herein as if fully set forth, subject to the encumbrances also set forth on Exhibit "A."

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTALLMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

It is mutually agreed as follows:

1. POSSESSION: Buyer shall be entitled to possession of the property as of the date hereof;

2. PREPAYMENT PRIVILEGE: After the date hereof, Buyer shall have the privilege of increasing any payment or prepaying the entire balance provided for hereinafter with interest due thereon to the date of payment;

3. PAYMENT OF LIENS AND TAXES: Buyer shall pay promptly all indebtedness incurred by their acts which may become a lien or purported lien, upon said property, and shall regularly and before the same shall become delinquent, pay all taxes, including adjustment of same for any reason, assessments, liens, and encumbrances of whatsoever kind affecting said property after this date, provided, all such taxes, assessments and charges for the current year shall be pro-rated as of the date hereof, and in the event Buyer shall fail to so pay, when due, any such matters or amounts required by Buyer to be paid hereunder, or to procure and pay seasonably for insurance, Seller may pay any or all such amounts and any such payment shall be added to the purchase price of said property on the date such payments are made by Seller and such amount shall bear interest at the same rate as provided herein, without waiver, however, of any right arising to Seller for Buyer's breach of contract, and, in such event or events, the escrow holder is hereby directed and authorized to so add such amounts to the contract balance upon being tendered a property receipt therefor;

4. INSURANCE: Buyer shall keep any buildings on said property insured against loss or damage by fire or other casualty in an amount not less than the full insurable value thereof with loss payable to the parties hereto and the interests herein reflected, if any, all as their interests appear at the time of loss, all uninsured losses shall be borne by the Buyer on or after the date Buyer becomes entitled to possession; Buyer shall furnish Seller proof of such insurance coverage;

5. WASTE PROHIBITED: Buyer agrees that all improvements now located or which shall hereafter be placed on the property, shall remain a part of the real property and shall not be removed at any time prior to the expiration of this agreement without the written consent of Seller. Buyer shall not cut or remove any timber, trees or shrubbery without Seller's prior written consent. Buyer shall not commit or suffer any waste of the property, or any improvements thereon, or alteration thereof, and shall maintain the property, improvements and alterations thereof, in good condition and repair, provided, Buyer shall not make or cause to be made any major improvements or alterations to the property without first obtaining the written consent of Seller;

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6. TRANSFER OF TITLE: Seller shall upon the execution hereof make and execute in favor of Buyer a good and sufficient deed conveying said property free and clear of all liens and encumbrances, except as provided on Exhibit "A", together with a good and sufficient Bill of Sale or Certificate of Title as appropriate and will place said documents, together with one of these agreements, in escrow at Aspen Title & Escrow, Inc., 600 Main Street, Klamath Falls, Oregon 97601 and shall enter into written escrow instructions in form satisfactory to said escrow holder and the parties hereto, instructing said escrow holder that when, and if, Buyer shall have paid the balance of the purchase price in accordance with the terms and conditions of this contract, said escrow holder shall deliver said documents to Buyer, but in case of default by Buyer said escrow holder shall, on demand, surrender said documents to Seller;

7. TAX PAYMENT PROCEDURES: Until a change is requested, all tax statements shall be sent to the address designated by Seller hereinafter. It shall be the responsibility of Seller to forward tax statements to Buyer, who, within thirty (30) days of the date of Seller's mailing of the said tax statements shall reimburse Seller the full amount of taxes paid by the Department of Veteran Affairs, or by Sellers, as appropriate.

8. PROPERTY TAKEN "AS IS": Buyer certifies that this contract of purchase is accepted and executed on the basis of his own examination and personal knowledge of the premises and opinion of the value thereof; that no attempt has been made to influence his judgment; that no representations as to the condition or repair of said premises have been made by Seller or by an agent of Seller; and that Buyer takes said property and the improvements thereon in the condition existing at the time of this agreement;

9. CONSENT TO ASSIGNMENT: Buyer shall not assign this agreement, his rights thereunder, or in the property covered thereby without the written consent of the State of Oregon acting by the Director of Veterans Affairs.

10. TIME OF ESSENCE: It is understood that and agreed between the parties that time is of the essence of this contract;

11. DEFAULT: In case Buyer shall fail to make the payments aforesaid, or any of them, punctually and upon the strict terms and at the times above-specified or fail to keep any of the terms or conditions of this agreement, then the Seller at his option shall have the following rights:

- a) To declare this contract null and void, after giving such notice as is then required by Oregon Revised Statutes; and/or
- b) To declare the whole unpaid principal balance of said purchase price with the interest thereon at once due and payable; and/or
- c) To withdraw said deed and other documents from the escrow; and/or
- d) To foreclose this contract by suit or by strict foreclosure in equity.

In any of such cases, all rights and interests created or then existing in favor of the Buyer as against the Seller hereunder shall utterly cease and determine, and the right to the possession of the premises above-described and all other rights acquired by the Buyer hereunder shall revert to and revest in said Seller without any act of re-entry, or any other act of said Seller to be

performed and without any right of Buyer of return, reclamation or compensation for monies paid on account of the purchase of said property as absolutely, fully and perfectly as if this contract and such payments had never been made; and in case of such default, all payments theretofore made on this contract are to be retained by and belong to said Seller as the agreed and reasonable rent of said premises up to the time of such default. The said Seller, in case of such default, shall have the right immediately, or at any time thereafter, to enter upon the land aforesaid, without any process of law, and take immediate possession thereof, together with all of the improvements thereon; and alternatively, Buyer shall have the right to apply to the Court for appointment of a receiver as a matter of right and nothing in this contract shall preclude appointment of the Seller as such receiver;

12. ABANDONMENT: Should Buyer, while in default, permit the premises to become vacant for a period in excess of 20 days, Seller may take possession of same individually or by appointment of a receiver by self-help or by Court order for the purpose of protecting and preserving the property and his security interest herein, and in the event possession is so taken by Seller he shall not be deemed to have waived his right to exercise any of the foregoing rights;

13. ATTORNEY FEES: In the event suit or action is instituted to enforce any of the terms of this contract, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorney's fees at trial or on appeal of such suit or action, in addition to all other sums provided by law;

14. NO WAIVER: Buyer further agrees that failure by Seller at any time to require performance by Buyer of any provision hereof shall in no way affect Seller's right hereunder to enforce the same, nor shall any waiver by Seller of any breach of any provision hereof be held to be a waiver of any succeeding breach of any such provision, or as a waiver of the provision itself;

15. BINDING ON SUCCESSORS: This agreement shall bind and inure to the benefit of, as the circumstances may require, the parties hereto and their respective heirs, executors, administrators, successors and assigns, subject to the foregoing;

16. TERMS OF PAYMENT: The purchase price and the interest conveyed by the within instrument shall be the sum of \$31,500.00, payable as follows: \$2,000.00 payable upon the execution hereof; an additional \$1,500.00 of credit afforded to Buyers by virtue of Buyers' transfer to Sellers of all of their interest in a certain Fifth Wheel Trailer; the balance of \$28,000.00 shall be paid in monthly installments of \$279.59 per month, including interest at the rate of 10 1/2 percent per annum on the unpaid balance, the first such installment to be paid on the 5th day of December, 1985, and a further and like installment to be paid on or before the 5th day of each month thereafter until the entire purchase price, including both principal and interest is paid in full.

17. ESCROW FUNDS DISTRIBUTION: It is understood by and between the parties that the property being conveyed by the within instrument is encumbered by a certain mortgage, including the terms and provisions thereof, as between Sellers as Mortgagor, and the State of Oregon representing and acting by the Director of Veteran Affairs, as Mortgagee. The parties understand that the interest rate payable under the said Department of Veteran Affairs loan will increase by virtue of the entry by Buyer and Seller into the within Land Sales Contract. Buyer and Seller further acknowledge and agree that the said mortgage is secured in addition by other property. It is therefore agreed that Aspen Title Company, upon receipt of payments from Buyer, shall remit the same to Seller. Seller agrees that the proceeds from such payments shall be utilized by Seller in payment of said obligation owing to the State of Oregon, representing and acting by the Director of Veteran Affairs.

18. EXCHANGE OF FIFTH-WHEEL TRAILER: Buyer and Seller agree that Buyer is conveying to Seller all of Buyer's equity in that certain fifth-wheel trailer described as follows:

18872

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INVAD

Mo
KC

Vehicle ID #
CA795S1542

License #
CA PB6511

RWD
led
Jim
led
in exchange for the credit afforded to Buyer by virtue of Buyer's equity therein. Buyer and Seller further agree that the said vehicle is subject to an encumbrance to First Interstate Bank bearing loan number 401096000 the balance upon which is agreed as between Buyer and Seller is \$4,394.83 as of October 17, 1985, which said balance bears interest at the rate of Fifteen (15) percent per annum. Buyer and Seller agree that Seller will make the required payments to be made on said encumbrance, holding Buyer harmless thereon. Should Seller fail to make any of the payments required to be made in accordance with the said loan or to maintain the required insurance coverage thereon, then, in such event, Buyer may make the said payments, and upon the proof of making said payments to the Escrow Agent named in paragraph 6 hereinabove, the said escrow agent shall reflect a credit as against the unpaid balance owing to Seller on the records of such collection escrow.

RWD
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19. SELLERS USE OF PREMISES: Buyer and Seller agree that Sellers are to retain use of the shop building on the premises conveyed by the within Land Sales Contract for a period to and including December 30, 1985.

20. INCLUSION OF PERSONAL PROPERTY: It is agreed between Buyer and Seller that the property conveyed by the within Land Sale Contract includes a certain mobile home, which said mobile home is located on the real property conveyed by the within instrument. Buyer and Seller further agree that there shall be no conveyance of title of the said mobile home to Buyer, but that the title thereto shall be held in escrow by the escrow agent named in paragraph 6 hereinabove, and that the said personal property shall be treated as though attached to and an improvement on, the real property conveyed hereby.
*** or Bill of Sale.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed this 18TH day of November, 1985.

BUYERS:

Robert W. Denney
ROBERT W. DENNEY

Lou Ellen Denney
LOU ELLEN DENNEY

SELLERS:

Dennis J. Mahoney
DENNIS J. MAHONEY

Charlotte H. Mahoney
CHARLOTTE H. MAHONEY

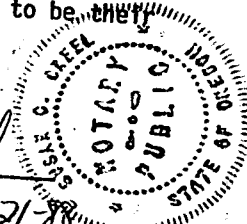
State of Oregon)
County of Klamath) ss

PERSONALLY APPEARED ROBERT W. DENNEY and LOU ELLEN DENNEY, on this 18TH day of November, 1985 and acknowledged the foregoing instrument to be their voluntary act and deed.

BEFORE ME:

Susan C. Creel
NOTARY PUBLIC FOR OREGON

My Commission Expires: 6-21-88



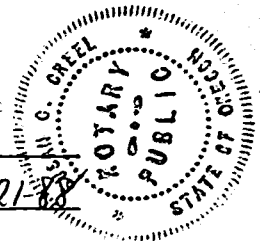
State of Oregon }
County of Klamath } ss

18873

PERSONALLY APPEARED DENNIS J. MAHONEY and CHARLOTTE H. MAHONEY, on this
19TH day of November, 1985, and acknowledged the foregoing instrument to be their
voluntary act and deed.

BEFORE ME:

Susan C. Creel
NOTARY PUBLIC FOR OREGON
My Commission Expires: 6-21-88



Dennis J. Mahoney and Charlotte H. Mahoney
~~2125 ALPINE MOUNT #20~~
~~KLAMATH FALLS, ORE. 97603~~
VENDOR'S NAME AND ADDRESS

Robert L. Denney
Rt. 1 Box 344-C
BONANZA, OREGON 97623
VENDEE'S NAME AND ADDRESS

After recording return to:
Aspen Title Company
407 Main Street
Klamath Falls, OR 97601

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

MR. + MRS. ROBERT DENNEY
Rt. 1 Box 344-C
BONANZA, OREGON 97623

STATE OF OREGON }
County of Klamath } ss

I certify that the within instrument was
received for record on the _____ day of
_____, 1985, 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

18874

The NW1/4SE1 Section 31, Township 37 South, Range 11 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

SUBJECT TO contracts and/or liens for irrigation and/or drainage, the schedule of exclusions from coverage, together with any schedules contained in standard title policies, reservations, easements, restrictions and rights of way of record and those apparent on the land.

ALSO SUBJECT TO rights of the public in and to any portion of said premises lying within the limits of roads and highways.

ALSO SUBJECT TO an easement created by instrument, including the terms and provisions thereof,

Dated : January 2, 1975
 Recorded : November 26, 1976
 Book : M-76
 Page : 19079
 Recorded : May 3, 1977
 Book : M-77
 Page : 7612
 In favor of : Larry L. Sommers
 For : Ingress and Egress

ALSO SUBJECT TO an easement created by instrument, including the terms and provisions thereof,

Dated : October 6, 1975
 Recorded : May 11, 1977
 Book : M-77
 Page : 8171
 For : Ingress and Egress

ALSO SUBJECT TO rules and regulations of Fire Patrol District.

ALSO SUBJECT TO the provision that any improvement located upon the insured property, which constitutes a mobile home as defined in Chapter 481, Oregon Revised Statutes, is subject to registration and taxation as therein provided and as provided by Chapter 308, Oregon Revised Statutes.

ALSO SUBJECT TO Mortgage, including the terms and provisions thereof to secure the amount noted below and other amounts secured thereunder, if any:

Mortgagor: Dennis J. Mahoney and Charlotte H. Mahoney, husband and wife
 Mortgagee: State of Oregon, represented and acting by the Director of Veterans Affairs
 Dated: January 10, 1977
 Recorded: January 11, 1977
 Book: M-77
 Page: 487

which said Mortgage Purchasers do not assume but which said Mortgage is to be paid from the proceeds of payments made on the within Land Sale Contract.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____
 of _____ November _____ A.D., 19 85 at 3:51 o'clock P M., and duly recorded in Vol. M85
 of _____ Deeds _____ on Page 18969

FEE \$25.00

Evelyn Biehn
 By _____

County Clerk

[Signature]

EXHIBIT "A"