

58218 SSS

DEPARTMENT OF VETERANS' AFFAIRS

and will not be binding until the

00.00K-38321

Vol. M 86 Page 2626

CONTRACT OF SALE

DATED: February 12, 1986

BETWEEN:

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

SELLER

AND:

HUGH G. KISER

SYLVIA K. KISER, husband and wife

MICHAEL G. KISER

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"):

The West 104 feet of the East 211 feet of Lot 2 in Block 3 of Midland Hills Estates,
according to the official plat thereof on file in the office of the County Clerk, Klamath
County, Oregon.Subject only to the following encumbrances:
See "Addendum to Contract of Sale" for encumbrances.

TAX STATEMENT

Until a change is requested, all tax statements shall be sent to: Department of Veterans' Affairs
Tax Division C 06647
Oregon Veterans' Building
700 Summer Street, NE
Salem, Oregon 97310-1201

611-M (11-85) VJC:mk

EVENTS OF DEFAULT. Time is of the essence of this Contract. A default shall occur under any of the following circumstances:

(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.

(b) Failure of Buyer to perform any other obligation in this Contract in addition to payment. Buyer must perform obligation within thirty (30) days after receiving Notice of Default from Seller. Such Notice shall specify the nature of the default.

(c) Failure of Buyer to perform any other obligation in this Contract in addition to payment. Buyer must perform obligation within thirty (30) days after receiving Notice of Default from Seller. Such Notice shall specify the nature of the default.

SECTION 5. SECURITY AGREEMENT

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. This instrument shall constitute a security agreement within the meaning of the Uniform Commercial Code. Upon request of Seller, Buyer agrees to provide a description of the property. The statements of Seller, Buyer and Seller shall be treated as a taking of the property.

SECTION 4. EMINENT DOMAIN

If a condemning authority takes all or any portion of the property, Buyer shall pay the reasonable cost of repair or restoration to Seller. Upon satisfactory proof of restoration, Seller shall pay or reimburse Buyer the balance due on this Contract, and shall pay the balance of the insurance proceeds to Buyer. Any proceeds which have not been paid out within 180 days after their receipt, and which Buyer has not committed to the repair or restoration of the property, shall be used to pay first accrued interest and then the principal amount of the loan.

[illegible]

3.1. **PROPERTY DAMAGE INSURANCE.** Buyer shall get and keep in force an application for any and all such requirements and withold compliance during any proceeding, including appropriate appeals, so long as Seller's interest in the property is not sold. Buyer shall promptly make all required repairs, alterations, and additions. Buyer may not remove or alter any part of the property, including improvements or alterations without the prior written consent of Seller. Buyer shall comply with all laws, ordinances, regulations, directions, rules, and other requirements of all governmental agencies applicable to the use or occupancy of the property. In this compliance, Buyer shall promptly make all required repairs, alterations, and additions. Buyer may not remove or alter any part of the property, including improvements or alterations without the prior written consent of Seller. Buyer shall promptly make all required repairs, alterations, and additions. Buyer may not remove or alter any part of the property, including improvements or alterations without the prior written consent of Seller.

2.2 MAINTENANCE. Buyer shall keep all buildings, other improvements, and landscape now existing, or which shall hereafter be constructed, in good repair and ready for domestic use. Buyer shall not permit any waste or removal of the improvements, nor make any such improvements, or which shall hereafter be constructed, without the written consent of Seller. Except for domestic use, Buyer shall not permit the cutting or removal of trees, shrubs, or other plants on the premises to be vacant for more than thirty (30) consecutive days.

SECTION 2.1 POSSESSION, MAINTENANCE

The initial annual interest rate shall be _____ percent per annum.

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

PLACE OF PAYMENTS. All payments to Seller shall be made to _____ unless Seller gives written notice to Buyer to make payments elsewhere.

WARRANTY. Seller warrants that the goods are as described in the Contract.

_____ (month, day) _____ (year)

RECEIVED BY SELLER

Selling Agent

Buyer

2011 JANUARY 1

(4)

[illegible]

The balance due on the Contract of \$32,000.00

March 19 86

The initial payments shall be \$ 269.00

Buyer shall pay an amount estimated by Seller to be sufficient to pay taxes, which The total monthly necessary for payment of the taxes or assessments

shall be paid in payments beginning on the first day.

Completion of the improvements will not be subtracted from the purchase price nor subtracted from the purchase price.

Form 590-M, signed this date.

the contract balance.

Improvements will satisfy the equity requirements of ORS 407.375(3). The value of the improvements will not be subtracted from the purchase price.

from Buyer, as down payment on the purchase price.

The balance due on the Contract of \$32,000.00

March 19, 86

Buyer shall pay an amount within _____ days after the date of completion of the improvements shall be paid in payment of the balance due on the Contract of \$32,000.00

1. TOTAL PURCHASE PRICE. Buyer agrees to pay Seller the sum of \$ 47,000.00

12 PAYMENT OF TOTAL PURCHASE PRICE. The total purchase price shall be paid as follows:

Seller acknowledges receipt of the sum of \$ 15,000.00 upon invoice.

Buyer shall make improvement to _____ as the total purchase price for the _____

SECTION 1. PURCHASE PRICE: PAYMENT
TOTAL PURCHASE PRICE: BIVER 2000
PROPERTY: 28518292

REMEDIES ON DEFAULT

- 2628
- (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.

C06647
CONTRACT NO.

8328

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 WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT 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.

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):

Hugh G. Kiser
HUGH G. KISER

Sylvia K. Kiser
SYLVIA K. KISER

Michael G. Kiser
MICHAEL G. KISER

C06647

CONTRACT NO.

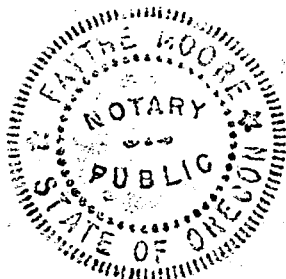
STATE OF OREGON

County of _____ Klamath

February 12 19 86

2630

Personally appeared the above named Hugh G. Kiser and Sylvia K. Kiser, husband and wife
and acknowledged the foregoing Contract to be theirs (their) voluntary act and deed.



Before me:

Larry Moore
My Commission Expires: 8/27/87 Notary Public For Oregon

My Commission Expires: 8/27/87

Notary Public For Oregon

SELLER:

Director of Veterans' Affairs

By

Fred Blanchfield
FRED BLANCHFIELD
Manager, Loan Processing/Servicing

Manager, Loan Processing/Servicing

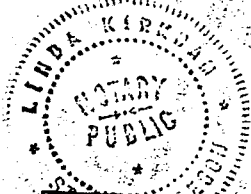
Title

STATE OF OREGON

County of _____ Deschutes

January 28 19 86

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



Before me:

Linda Kirkham
Notary Public For Oregon

My Commission Expires:

Notary Public For Oregon

CONTRACT OF SALE

FOR COUNTY RECORDING INFORMATION ONLY

CALIFORNIA
STATE OF OREGON,

County of San Bernardino

55.

FORM NO. 23 — ACKNOWLEDGMENT
STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

BE IT REMEMBERED, That on this 4 day of February, 1976,
before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within
named _____

MICHAEL G. KISER

MICHAEL G. KISER - Only - , who promised to me an
known to me to be the identical individual described in and who executed the within instrument and
acknowledged to me that he executed the same freely and voluntarily.

known to me to be the identical individual described in and who executed the within instrument and acknowledged to me that he executed the same freely and voluntarily.

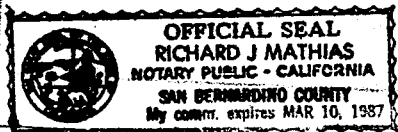
IN TESTIMONY WHEREOF

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Round J. murtre

Notary Public for Oregon. California

My Commission expires



AFTER RECORDING, RETURN TO:

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

C06647

CONTRACT NO.

ADDENDUM TO CONTRACT OF SALE

KISER, Hugh G.
KISER, Sylvia K.
Contract No. C06647

2631

1. Easement and Release of damages, including the terms and provisions thereof, given by Lela R. Bonham and V. R. Bonham, her husband, to The California Oregon Power Company, a California Corporation, dated August 27, 1930, recorded January 15, 1932, in Deed Volume 96 page 585 and 586, records of Klamath County, Oregon, relative to raising and/or lowering the waters of Upper Klamath Lake and Klamath River between the elevations of 4085 and 4086.5 feet above sea level.
2. Access restrictions, including the terms and provisions thereof, conveyed by Everett L. Leach, et al., to State of Oregon, by and through its State Highway Commission by deed recorded March 26, 1969, in Volume M-69 page 2189, Microfilm records of Klamath County, Oregon.
3. Reservations and restrictions contained in the dedication of Midland Hills Estates, as follows: "...said plat subject to: A 20-foot to 25 foot building set-back line along all streets as shown on the annexed plat, public utility easements as shown on the annexed plat, said easements to provide ingress and egress, restrictions as provided in recorded protective covenants."
4. Declaration of Conditions and Restrictions for Midland Hills Estates recorded April 29, 1970, in Volume M-70 on page 3339, Microfilm records of Klamath County, Oregon.

Return to:

Department of Veterans' Affairs
155 NE Revere Avenue
Bend, OR 97701

Tax Statements to:

DVA
Salem, OR 97310

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____
of February A.D., 19 86 at 11:02 o'clock A M., and duly recorded in Vol. M86 day
of Deeds on Page 2626

FEE \$25.00

Evelyn Biehn, County Clerk
By [Signature]