

CONTRACT FOR SALE OF REAL PROPERTY

THIS AGREEMENT, Made and Entered into this 15 day of August, 1986, by and between CARROL JOE SCRONCE and BETTY L. SCRONCE, husband and wife, , hereinafter referred to as SELLER, and ALLEN B. CARTER and MARGUERITE J. CARTER, husband and wife,, hereinafter referred to as BUYER;

WITNESSETH:

That for and in consideration of the sums of money to be paid at the times and in the amounts hereinafter specified, and for and in consideration of each and all of the terms and conditions herein contained, SELLER does hereby agree to sell to BUYER and BUYER does hereby agree to purchase from SELLER, the following described real property located in the County of Klamath, State of Oregon, to-wit:

A portion of Lot 2 in Section 12, Township 41 South, Range 10 East, W.M. described as follows: Beginning at a point which is 40 feet South and 277 feet East of the corner common to Sections 1, 2, 11 and 12, Township 41 South, Range 10 East, W.M., thence East along the South line of Front Street in the City of Merrill a distance of 55 feet thence South to the North Bank of Lost River thence Southwesterly along said river to a point lying South of the true point of beginning thence North to the true point of beginning.

SUBJECT TO: (1) Agreement, including the terms and provisions thereof, Dated: March 31, 1932 Recorded: April 4, 1932 Volume: 97, page 203, Deed Records of Klamath County, Oregon First Party: Roy W. Hodges and Bessie Hodges, his wife, and C.L. Hodges and Delia Hodges, his wife (2) Easement, including the terms and provisions thereof, Dated: November 5, 1937 Recorded: June 13, 1938 Volume: 116, page 155, Deed Records of Klamath County, Oregon From: C.L. Hodges and Delia Hodges, his wife and R.W. Hodges and Bessie Hodges, his wife In Favor Of: City of Merrill For: Sewer system and sewage disposal.

PURCHASE PRICE: The purchase price to be paid to the SELLER for said premises shall be the sum of TWENTY-FIVE THOUSAND AND NO/100 Dollars of which the sum of FIVE THOUSAND AND NO/100

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Dollars as a down payment is paid upon the execution hereof, receipt of which is hereby acknowledged. The balance of the purchase price in the amount of TWENTY THOUSAND AND NO/100 Dollars shall be paid in quarterly installments of not less than SIX HUNDRED AND NO/100 Dollars, including interest at the rate of 9%, computed annually on the unpaid balance. The first such installment shall be due on the 15th day of August, 1986, and a like installment shall be paid once every three months thereafter as follows: \$600.00 installment every November 15, February 15, May 15, August 15, etc. until the entire purchase price, principal and interest, has been paid in full. Interest on this obligation shall commence on the 15th day of August, 1986.

PREPAYMENT: BUYER shall have the privilege of increasing any quarterly payment or prepaying the whole of the purchase price at any time during the life of this Contract.

TITLE INSURANCE: SELLER shall furnish at their expense a Purchaser's Title Insurance Policy in the amount of TWENTY-FIVE THOUSAND AND NO/100 Dollars, insuring BUYER against loss or damage sustained by them by reason of the unmarketability of SELLER'S title, or liens or encumbrances thereon, excepting matters contained in usual printed exceptions in such title insurance policies, easements, conditions and restrictions of record and encumbrances herein specified, if any. It is expressly stipulated between the parties that the SELLER will indemnify BUYER and hold them harmless from that certain Contract dated August 5, 1977, recorded on August 23, 1977 in volume M77, page 15485, Microfilm Records of Klamath County, Oregon on the above-described property, and that BUYER will accept the policy of title insurance with this encumbrance contained therein only upon SELLER'S representations contained below.

PARTY WALL AGREEMENT: The wall extending from the point marked A to the point marked B on the map annexed hereto

and shown thereon as dividing the respective properties of seller and purchaser shall, on execution of this agreement, become a party wall. The parties, their respective heirs and assigns, shall have equal rights in all respects of the wall; and neither party, his heirs or assigns, shall use the wall in any manner whatsoever that may interfere with the equal use of the other half of the wall by the other party, his heirs or assigns. In particular, no joists, crossbeams, studs, or other structural members used in construction, repair, or maintenance of the adjoining buildings will encroach on the other half of the wall.

WARRANTY OF TITLE: SELLER will on the execution hereof make and execute in favor of BUYER, a good and sufficient Warranty Deed conveying a fee simple title to said premises, free and clear as of this date of all encumbrances whatsoever, and will place said Deed together with one of these Contracts of Sale, and recorded Memorandum of Contract in escrow at First Interstate Bank of Merrill, hereby instructing said escrow holder that when, and if, BUYER shall have paid the balance of the purchase price and shall have in all other respects fully complied with all of the terms and conditions of this Contract, said escrow holder shall deliver said Deed to BUYER.

ENCUMBRANCES UPON PROPERTY ARE OBLIGATION OF SELLER: SELLER warrants and represents to the BUYER that they are lawfully seized in fee simple of the above premises, free from all encumbrances except a Contract of Sale. SELLER warrants and represents that they will make all payments on the above-mentioned encumbrances as the same fall due and hold the BUYER harmless therefrom. In the event of their failure to do so, BUYER shall have the right to make such payments and take credit on this Contract.

PLACE OF PAYMENT: All payments herein called for shall be delivered to the escrow agent at First Interstate Bank of

Merrill, Merrill, Oregon 97633.

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PRO-RATE OF TAXES: Real property taxes applicable to the real property herein conveyed shall be prorated by and between SELLER and BUYER as of the date BUYER is entitled to possession of the premises.

FUTURE TAXES: BUYER agrees to pay when due all taxes which are hereafter levied against the property and all public, municipal and statutory liens which may be hereafter lawfully imposed upon the premises.

INSURANCE: BUYER agrees to keep all buildings on said premises insured against loss by fire or other casualty for the maximum insurable interest or TWENTY-FIVE THOUSAND AND NO/100 Dollars, whichever is less, with loss payable to the parties hereto as their interests appear at the time of loss with priority in payment to SELLER. BUYER shall deliver to SELLER proof that such coverage has been obtained. Any amount received by SELLER under the insurance in payment of a loss shall be applied upon the unpaid balance of the purchase price and shall reduce said unpaid balance of the purchase price to the extent of the amount of the insurance payment received by SELLER. All uninsured losses shall be borne by BUYER on or after the date BUYER becomes entitled to possession.

REPAIRS AND MAINTENANCE: BUYER shall at all times during the life of this Contract maintain the premises and the grounds immediately surrounding in as good as condition as the same are presently in, normal wear and tear excepted.

To insure the faithful performance of this condition of the Contract, the BUYER grants to the SELLER the right at reasonable times upon reasonable notice to enter in and about the premises and the surrounding property to inspect the property to insure that it is being properly maintained.

REPRESENTATIONS: BUYER certifies that this Contract of

purchase is accepted and executed on the basis of their own examination and personal knowledge of the premises and opinion of the value thereof; that no attempt has been made to influence their judgment; that no representations as to the condition or repair of said premises have been made by SELLER or by any agent of SELLER; that no agreement or promise to alter, repair or improve said premises has been made by SELLER or any agent of SELLER; and that BUYER takes said property and the improvements thereon in the condition existing at the time of this agreement.

ASSIGNMENT: BUYER shall not assign this agreement or their rights hereunder or the property conveyed without the written consent of the SELLER, which consent shall not be unreasonably withheld. Any purported assignment without the consent of the SELLER as provided herein shall be inoperative and void.

POSSESSION: BUYER shall be entitled to possession of the premises as of the date of execution of this agreement..

DEFAULT: In the event that BUYER shall fail to perform any of the terms of this agreement, time of payment and performance being of the essence, SELLER shall, at their option, subject to the rights of notice as herein provided, have the following rights:

1. To foreclose this Contract by strict foreclosure in equity.
2. To declare the full unpaid balance of the purchase price immediately due and payable.
3. To specifically enforce the terms of this agreement by suit in equity.

BUYER shall not be deemed in default for failure to perform any covenant or condition of this contract, other than failure to make payments as provided for herein, until notice of said default has been given by SELLER to BUYER and BUYER shall have failed to remedy said default within thirty (30) days after

the giving of the notice. Notice for this purpose shall be deemed to have been given by the deposit in the mails of a certified letter containing said notice and addressed to BUYER at the address contained herein.

If BUYER shall fail to make payments as herein provided and said failure shall continue for more than ten (10) days after the payment becomes due, BUYER shall be deemed in default and SELLER shall not be obligated to give notice to BUYER of a declaration of said default.

NOTICE: Any notices to be given under the terms of this Contract shall be given to the SELLER as follows:

Carrol Joe & Betty L. Scronce
P O Box 107
Merrill, OR 97633

to the BUYER as follows:

Allen B. & Marguerite J. Carter
P O Box 426
Merrill, OR 97633

WAIVER: Failure by SELLER at any time to require performance by BUYER of any of the provisions hereof shall in no way affect SELLER'S rights hereunder to enforce the same, nor shall any waiver by SELLER of any breach hereof be held to be a waiver of any succeeding breach, or a waiver of this non-waiver clause.

COSTS OF SALE: It is expressly understood and agreed between the parties that the firm of Parks & Ratliff, Attorneys at Law, 228 North 7th Street, Klamath Falls, Oregon, has been retained by and is representing SELLER in this transaction. It is further agreed and understood between the parties that all attorney fees for the preparation of sale documents and all escrow charges for this transaction shall be shared equally between SELLER and BUYER.

ATTORNEY FEES: Should any suit or action be brought to enforce any of the terms of this Contract, the prevailing party

in such suit or action shall be entitled to a reasonable sum as attorney fees, in addition to costs and disbursements as provided by law; and if any appeal is taken from any decision of the trial court, such further sum as may be fixed by the appellate court, as reasonable attorney fees in the appellate court, in addition to costs and disbursements as provided by law.

CONSTRUCTION: In construing this Contract, it is understood that SELLER or BUYER may be more than one person, that if the context so requires, singular pronouns shall be taken to mean and to include the plural, the masculine, the feminine and the neuter, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to one or more persons.

INTEGRATION: This contract constitutes a whole and complete statement of the agreement between the parties; and there are no representations or agreements not contained in this document pertaining to this transaction.

TITLES: Paragraph headings in this Contract are for convenience only and are not to be construed as part of this agreement.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first hereinabove written.

SELLER:

Carrol Joe Scronce
CARROL JOE SCRONCE, Seller

Allen B. Carter
ALLEN B. CARTER, Buyer

BUYER:

Betty L. Scronce
BETTY L. SCRONCE, Seller

Marguerite J. Carter
MARGUERITE J. CARTER, Buyer

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STATE OF OREGON

County of Klamath

On this 15 day of August, 1986, personally appeared the above-named Carrol Joe & Betty L. Scronce, and acknowledged the foregoing instrument to be their voluntary act and deed.

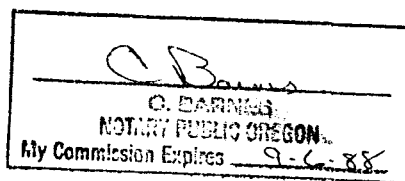
C. Barnes
NOTARY PUBLIC FOR OREGON
My commission expires: 9-6-88

STATE OF OREGON

County of Klamath

On this 15 day of August, 1986, personally appeared the above-named Allen B. & Margerite J. Carter, and acknowledged the foregoing instrument to be their voluntary act and deed.

C. Barnes
NOTARY PUBLIC FOR OREGON
My commission expires: 9-6-88



STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____
of August A.D., 19 86 at 3:00 o'clock P M., and duly recorded in Vol. M86 day
of _____ Deeds on Page 15377

FEE \$33.00

Evelyn Biehn, County Clerk
By [Signature]

Return to
PARTS of R. 72.55
228 N 774
I.T.F.
97601