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CONTRACT TO SELL REAL PROPERTY

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THIS CONTRACT is made as of this 14 day of July, 1987,
by and between CHARLES D. WHITTEMORE and BONNIE J. WHITTEMORE,
husband and wife, hereinafter called Sellers, and ALBERT M.
WARREN, JR. and LULU BELLE WARREN, husband and wife, hereinafter
called Buyers.

WITNESSETH:

In consideration of the agreements herein contained and
the payments to be paid by Buyers to Sellers, Sellers hereby
agree to sell to Buyers, and Buyers hereby agree to purchase
from Sellers the following described real property situated in
the County of Klamath, State of Oregon, to-wit:

Lot 16, Resubdivision of Block 23, INDUSTRIAL ADDITION TO
THE CITY OF KLAMATH FALLS, in the County of Klamath,
State of Oregon,

ALSO

Beginning at the Northeast corner of Lot 16, of Re-subdi-
vision Block 23, INDUSTRIAL ADDITION TO THE CITY OF
KLAMATH FALLS, and running thence East along the North
line of Lot 15 of Re-subdivision Block 23, INDUSTRIAL
ADDITION TO THE CITY OF KLAMATH FALLS, OREGON, a distance
of 10 feet; thence South and parallel with the East line of
said Lot 16 a distance of 92 feet; thence West a distance
of 10 feet to the Southeast corner of Lot 16 aforesaid;
thence North 92 feet to the point of beginning, being a
portion of Lot 15, Re-subdivision, Block 23, INDUSTRIAL
ADDITION TO THE CITY OF KLAMATH FALLS, OREGON.

(1) Purchase price and Terms:

Buyers shall pay as the purchase price of said property the
sum of \$49,000.00 lawful money of the United States, as follows:
The sum of \$500.00 as earnest money heretofore paid; the sum of
\$4,400.00 as remainder of down payment; the remaining balance of
\$44,100.00 shall be paid in monthly installments beginning with
\$415.00 each, the first of such installments to be paid on or

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before August 15, 1987, and subsequent installments to be paid on or before the same day of each month thereafter until the date of July 15, 1994, which is seven years after the date of closing, when the entire purchase price, including both principal and interest, shall be paid in full. All of said purchase price may be paid at any time. Interest on all unpaid balances shall commence on the date of closing. The aforesaid monthly installments of the initial \$415.00 shall include a beginning interest rate of 9 1/2%, which may be adjusted as follows:

It is understood by and between the parties hereto that the Sellers have an Adjustable Mortgage Loan with Klamath First Federal Savings and Loan Association secured by a Trust Deed on said property which is scheduled to be adjusted on March 1st of each year. It is agreed by and between the parties hereto that if the Sellers interest rate is increased or decreased then the Buyers interest shall be increased or decreased to the same degree as Sellers interest rate is changed, with a limit on the interest rate adjustments during the life of the loan of plus 3 1/2 or minus 2 1/2 percentage points, with a maximum interest rate of 13%. Increases in the interest rate will result in higher monthly payments, and decreases in the interest rate will result in lower monthly payments.

(2) Taxes: Taxes on said premises for the current year shall be prorated as of July 15, 1987, and all further taxes levied during the pendency of this contract shall be paid by the Sellers, and the Buyers shall upon receipt of tax statement reimburse the Sellers for said amount.

(3) Possession: Buyers shall be entitled to possession of the premises from and after the date of closing, and may retain such possession so long as they are not in default under the terms of this contract.

(4) Premises: Buyers agree to keep the buildings on said premises, now or hereafter erected, in good condition and repair and will not suffer or permit any waste or strip thereof; that they will keep said premises free from mechanic's liens and all other liens and save the Sellers harmless therefrom and reimburse Sellers for all costs and attorneys' fees incurred by them in defending against any such liens; that they will pay all taxes hereafter levied against said property, as well as all water rents, public charges and municipal liens which hereafter lawfully may be imposed upon said premises, all promptly before the same or any part thereof becomes past due. If the Buyers shall fail to pay any such liens, costs and water rents, taxes or charges, Sellers may do so and any payment so made shall be added to and become a part of the debt secured by this contract and shall bear interest at the rate aforesaid, without waiver, however, of any right arising to the Sellers for Buyers breach of contract.

(5) Title Insurance: Sellers agree that at their expense they will furnish unto Buyers a title insurance policy insuring in an amount equal to said purchase price marketable title in and to said premises within ten days from the date hereof.

(6) Insurance: Buyers agree that they will insure and keep insured all buildings and other improvements now or hereafter erected on said premises against loss or damage by fire, with extended coverage, in an amount equal to the insurable value of said premises in a company or companies satisfactory to the Sellers with loss payable first to the Sellers, then to the Buyers as their respective interests may appear. A copy of the policy shall be held by Sellers until such time as this contract has been paid in full.

(7) Deed: At closing, Sellers shall execute and deposit in escrow a good and sufficient warranty deed conveying the property free and clear of all liens and encumbrances unto the Buyers, and free and clear of all encumbrances since that date placed, permitted, or arising by, through or under Sellers; excepting, however, all easements, restrictions, taxes, municipal liens, water rents and public charges assumed by the Buyers and further excepting all liens and encumbrances created by the Buyers or their assigns.

(8) Default: Time is of the essence of this contract. A default shall occur if:

(a) Buyer fails to make any payment within 30 days after receipt of written notice that such payment is overdue;

(b) Buyer fails to perform any other obligation imposed by this contract and does not correct or commence correction of such failure within 30 days after receipt of written notice from Seller specifying the manner in which Buyer is in default; or

(c) Buyer becomes insolvent, a receiver is appointed to take possession of all or a substantial part of Buyer's properties, Buyer makes an assignment for the benefit of creditors or files a voluntary petition in bankruptcy, or Buyer is the subject of an involuntary petition in bankruptcy which is not dismissed within 90 days. If Buyer consists of more than one person or entity, the occurrence of any of these events as to any one such person or entity shall constitute a default hereunder.

In the event of a default, Sellers may take any one or more of the following steps:

- (a) Declare the entire balance of the purchase price and 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) The remedies above provided shall be non-exclusive and in addition to any other remedies provided by law.

(9) Waiver: Buyers agree that failure by the Sellers at any time to require performance by them of any provisions hereof shall in no way affect their right hereunder to enforce the same, nor shall any waiver by the Sellers 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.

(10) Attorneys' Fees: In the event that suit or action be instituted by either party to enforce any rights under this contract, or for any matter in any way arising out of this contract, including appeals to appellate courts, it is agreed that the prevailing party in such suit or action shall recover in addition to costs and disbursements, such further sum as to the Court may be deemed reasonable as attorneys' fees.

(11) Assignment: Buyers shall not assign their interest in this agreement without the express written consent of Sellers. Sellers agree that they will not unreasonably withhold such consent. Sellers shall have the right to assign their interest in this agreement subject to the rights of the Buyers.

(12) Escrow: It is agreed that this contract, together with a good and sufficient warranty deed covering said premises from Sellers to Buyers, shall be placed in escrow with Klamath

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First Federal Savings & Loan Association, Klamath Falls, Oregon, and that contemporaneously with the execution of this agreement the parties hereto shall execute the necessary escrow instructions satisfactory to the escrow agents as required to accomplish the provisions herein set forth.

(13) Successors and Assigns: All rights, remedies and liabilities herein given to or imposed upon either of the parties hereto shall extend to and insure to the benefit of and bind, as the circumstances may require, the heirs, personal representatives, successors and so far as this contract is assignable by the terms hereof, to the assigns of such parties.

(14) Paragraph Headings: Paragraph headings in this contract are inserted for convenience only and are not to be construed as restricting the meaning of the paragraphs to which they refer.

IN WITNESS WHEREOF, the parties hereto have executed this contract this 14 day of July, 1987.

SELLERS:

Charles D. Whittemore
Bonnie J. Whittemore

BUYERS:

Ann Warren
Julia Belle Warren

STATE OF OREGON)
)ss.
County of Klamath)

Before me this 14 day of July, 1987, personally appeared the above-named CHARLES D. WHITTEMORE and BONNIE J. WHITTEMORE, husband and wife, and acknowledged the foregoing instrument to be their voluntary act and deed.

Carol Starkweather
Notary Public for Oregon
My Commission Expires: 3-1-91

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STATE OF OREGON)
) ss.
County of Klamath)

Before me this 14 day of July, 1987, personally appeared the above-named ALBERT M. WARREN, JR. and LULU BELLE WARREN, husband and wife, and acknowledged the foregoing instrument to be their voluntary act and deed.

Carol Starkweather
Notary Public for Oregon
My Commission Expires: 3-1-91

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Charles D. Whittemore the 14th day
of July A.D., 19 87 at 1:49 o'clock P.M., and duly recorded in Vol. M87
of Deeds on Page 12458.

FEE \$29.00

Evelyn Biehn County Clerk
By Berntha A. Detoch

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Carol Starkweather
Klamath 1st Fed.