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REAL ESTATE AGREEMENT

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THIS AGREEMENT, made and entered into this 10 day of November, 1987, by and between WALTER L. WILSON and NORMA S. WILSON, husband and wife, hereinafter referred to as "Borrower", and, WALTER D. CANNON, JR., a single person, hereinafter referred to as "Lender",

W I T N E S S E T H:

WHEREAS, Borrower is the present owner of the real property hereinafter described and located in Klamath County, Oregon, to-wit:

A tract of land situated in the SE 1/4 of SE 1/4 of Section 35, Township 40 S., R. 10 E., W.M., in Klamath County, Oregon, and more particularly described as follows: Beginning at a point in the North right-of-way line of the County road, said point being 443 feet West and 30 feet North of the Southeast corner of said Section 35, thence West 850.6 feet to the East right of way line of the D-1-b lateral, thence North 0 degrees 14' East 296 feet to the South right of way line of the D-1 lateral, thence Easterly along said right of way to the point of beginning; and

WHEREAS, there exists against said real property a lien in the form of a trust deed with an unpaid balance, including fees and costs, of approximately \$35,000.00, which is in default at this time, and

WHEREAS, Lender has indicated his willingness to advance and loan to Borrower the sum of \$35,000.00 with which to pay said trust deed and other charges against said property, and, Borrower is willing to convey said property as security for said sum to Lender for a specified time and to make monthly interest payments and pay other charges until said advance is paid back to Lender as hereinafter provided,

NOW, THEREFORE, it is mutually agreed by and between the

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parties hereto as follows:

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1. Upon receipt of said sum of \$35,000.00 by Borrower, Borrower shall convey said real property to Lender free of encumbrances, and, within a reasonable time thereafter shall furnish Lender an Owner's Policy of Title Insurance, at Borrower's expense.
2. Borrower shall have fifteen (15) years from the date hereof to re-pay Lender said sum of \$35,000.00 in cash as hereinafter provided, that is, Borrower may re-pay said sum at any time within said period, and, upon receipt of said sum, Lender shall reconvey said property to Borrower forthwith and free of encumbrances.
3. Until such time as said sum of \$35,000.00 is repaid, Borrower shall pay to Lender the sum of \$334.34 per month, commencing with the month of November, 1987, and each month thereafter until the expiration of said 15 years, or, until said sum of \$35,000.00 is repaid, whichever event occurs first, said monthly sum representing interest on said amount advanced, and, reimbursement for real property taxes paid by Lender. Interest shall be 8% per annum.
4. During the term of this agreement, Borrower shall punctually pay all fire insurance premiums, irrigation charges and other charges with respect to their use and possession of said real property, except real property taxes which Lender shall pay; Borrower shall at all times maintain full and prudent coverage with respect to fire insurance on all improvements, and, shall maintain the same in good repair and appearance.
5. Borrower shall at all times during the term hereof have the exclusive right to the possession and use of said real property

and improvements.

6. A default by Borrower shall exist in the event they fail to repay said sum of \$35,000.00 within 15 years from the date hereof, or, in the event they shall be delinquent with respect to said monthly payments or any monthly payment for a period of longer than 12 months. A default in either event shall terminate all rights of Borrower under this agreement and shall vest the title of the subject real property in Lender, exclusive of any interest therein of Borrower. A default shall as aforesaid exist in the event Borrower fails to comply with the other obligations hereinabove contained for a period of more than one year.

This agreement shall inure to the benefit of, and be binding upon, the heirs, devisees, assigns and successors in interest, of the parties hereto.

WITNESS the hands of the parties the day and year first hereinabove written.

Borrower: Walter L Wilson

Norma S. Wilson
Lender: Walter Cannon

STATE OF OREGON)
) ss.
County of Klamath)

November 10, 1987

Personally appeared the above named WALTER L. WILSON and NORMA S. WILSON, husband and wife, and, WALTER D. CANNON, JR., a single person, and acknowledged the foregoing instrument to be their voluntary act and deed.

BEFORE ME:

RETURN: PRENTISS K. PUCKETT
P. O. BOX 15
MERRILL, OR 97633

Betty C. Puckett
Notary Public for Oregon
My Commission expires: 2-19-90

Page (3) Agreement, Wilson - Cannon

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Company the 12th day
of November 87 at 3:58 o'clock P M., and duly recorded in Vol. M87
of Deeds on Page 20561
By Evelyn Biehn, County Clerk
Pat Smith

FEE \$15.00