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85752

CONTRACT—REAL ESTATE



THIS CONTRACT, Made this 1st day of December, 1987, between Donald B. Knoles and M. Lorraine Knoles, hereinafter called the seller, and Brent Budden and JoAnn Budden, hereinafter called the buyer,

WITNESSETH: That in consideration of the mutual covenants and agreements herein contained, the seller agrees to sell unto the buyer and the buyer agrees to purchase from the seller all of the following described lands and premises situated in Klamath County, State of Oregon, to-wit:

Lot 22 and Southerly 35 ft of Lot 23  
Block 18 Second Addition to Railroad  
And all improvements thereon, as per the terms of the lease-option agreement between the aforesaid parties dated 1, December 1985

for the sum of Seventy Nine Thousand Eight Hundred Twenty Five Dollars (\$79,825.00), hereinafter called the purchase price, of which \$8,530 has been paid at the time of the execution hereof, the receipt whereof hereby is acknowledged by the seller; the buyer agrees to pay the balance of said purchase price to the order of the seller at the times and in the amounts as follows, to-wit:

\$2,000.00 on March 15th, 1988  
\$650.00 per month beginning 1-1-88 to end of contract  
A balloon payment of \$2000.00 payable on 12-1-88 and each December 1 for 8 years on 12-1-1997 the total balance to be paid in full

All of said purchase price may be paid at any time; all deferred balances shall bear interest at the rate of 10 per cent per annum from 12-1-87 until paid; interest to be paid monthly and being included in the minimum regular payments above required. Taxes on said premises for the current fiscal year shall be prorated between the parties hereto as of 12-1-87, 19

The buyer warrants to and covenants with the seller that the real property described in this contract is

(A) ~~for an organization or (even if Buyer is a natural person) is for business or commercial purposes.~~

The buyer shall be entitled to possession of said lands on 12-1-87, 19, and may retain such possession so long as buyer is not in default under the terms of this contract. The buyer agrees that at all times buyer will keep the premises and the buildings, now or hereafter erected thereon, in good condition and repair and will not suffer or permit any waste or strip thereof; that buyer will keep said premises free from construction and all other liens and save the seller harmless therefrom and reimburse seller for all costs and attorney's fees incurred by seller in defending against any such liens; that buyer 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 become past due; that at buyer's expense, buyer will insure and keep insured all buildings now or hereafter erected on said premises against loss or damage by fire (with extended coverage) in an amount not less than \$77,000.00 in a company or companies satisfactory to the seller, with loss payable first to the seller and then to the buyer as their respective interests may appear and all policies of insurance to be delivered to the seller as soon as insured. Now if the buyer shall fail to pay any such liens, costs, water rents, taxes or charges or to procure and pay for such insurance, the seller 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 seller for buyer's breach of contract.

The said described premises are now subject to a contract or a mortgage (the word mortgage as used herein includes within its meaning a trust deed) recorded in the Deed, Mortgage and Miscellaneous Records of said county in book/reel/volume No. 3418 on page thereof or as fee/file/instrument/reception No. and a copy attached to this contract (reference to which hereby is made) on which the unpaid principal balance thereof at this

time is \$28,243.00 and no more, with interest paid to Sept. 25, 1987, payable in installments of not less than \$2,602.40 per semi-annual; the seller agrees to pay all sums due and to become due on said contract or mortgage promptly at the times required for said payments and to keep said contract or mortgage free from default; should any of the installments on said mortgage so paid by the seller include taxes or insurance premiums on said described premises, the buyer agrees on seller's demand forthwith to repay to the seller that portion of said installments so paid applicable to taxes and insurance premiums; should the seller for any reason permit said contract or mortgage to be or become in default, the buyer may pay any sums required by said contract or mortgage to be paid or otherwise perform said contract or mortgage and the buyer shall be entitled to credit for all sums so paid by buyer against the sums next to become due on the above purchase price pursuant to the terms of this contract.

The seller agrees that at seller's expense and within 120 days from the date hereof, seller will furnish unto buyer a title insurance policy insuring (in an amount equal to said purchase price) marketable title in and to said premises in the seller on or subsequent to the date of this agreement, save and except the usual printed exceptions and the building and other restrictions and easements now of record, if any, and the said contract or mortgage. Seller also agrees that when said purchase price is fully paid and upon request and upon surrender of this agreement, seller will deliver a good and sufficient deed conveying said premises in fee simple unto the buyer, buyer's heirs and assigns, free and clear of all encumbrances since said date placed, permitted or arising by, through or under seller, excepting, however, the said easements and restrictions, and the taxes, municipal liens, water rents and public charges so assumed by the buyer and further excepting all liens and encumbrances created by the buyer or buyer's assigns.

(Continued on Reverse)

\* (IMPORTANT NOTICE: Debra, by lining out, whichever phrase and whichever warranty (A) or (B) is not applicable. If warranty (A) is applicable and if seller is a creditor, on such word is defined in the Truth-in-Lending Act and Regulation Z, the seller MUST comply with the Act and Regulation by making required disclosures; for this purpose, use Stevens-Hess Form No. 1219, or equivalent.

SELLER'S NAME AND ADDRESS

BUYER'S NAME AND ADDRESS

After recording return to:

KCTC-Collection

NAME, ADDRESS, ZIP

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

Mrs. Brent Budden  
P.O. Box 5277  
Klamath Falls, Oregon 97601

NAME, ADDRESS, ZIP

STATE OF OREGON,

County of \_\_\_\_\_ ss.

I certify that the within instrument was received for record on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M., and recorded in book/reel/volume No. \_\_\_\_\_ on page \_\_\_\_\_ or as fee/file/instrument/microfilm/reception No. \_\_\_\_\_, Record of Deeds of said county.

Witness my hand and seal of County affixed.

NAME TITLE  
By \_\_\_\_\_ Deputy

And it is understood and agreed between said parties that time is of the essence of this contract, and in case the buyer shall fail to make the payments above required, or any of them, punctually within 20 days of the time limited therefor, or fail to keep any agreement herein contained, then the seller at seller's option shall have the following rights:

- (1) To declare this contract cancelled for default and null and void, and to declare the purchaser's rights forfeited and the debt extinguished, and to retain sums previously paid hereunder by the buyer;
- (2) To declare the whole unpaid principal balance of said purchase price with the interest thereon at once due and payable; and/or
- (3) To foreclose this contract by suit in equity.

In any of such cases, all rights and interest created or then existing in favor of the buyer as against the seller hereunder shall utterly cease and the right to the possession of the premises above described and all other rights acquired by the buyer hereunder shall revert to and rest in said seller without any act of re-entry, or any other act of said seller to be performed and without any right of the buyer of return, reclamation or compensation for moneys 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. And 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 the improvements and appurtenances thereon or thereto belonging.

The buyer further agrees that failure by the seller at any time to require performance by the buyer of any provision hereof shall in no way affect seller's right hereunder to enforce the same, nor shall any waiver by said 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.

The true and actual consideration paid for this transfer, stated in terms of dollars, is \$..... However, the actual consideration consists of or includes other property or value given or promised which is part of the consideration (indicate which). ①

In case suit or action is instituted to foreclose this contract or to enforce any provision hereof, the losing party in said suit or action agrees to pay such sum as the trial court may adjudge reasonable as attorney's fees to be allowed the prevailing party in said suit or action and if an appeal is taken from any judgment or decree of the trial court, the losing party further promises to pay such sum as the appellate court shall adjudge reasonable as the prevailing party's attorney's fees on such appeal.

In construing this contract, it is understood that the seller or the buyer may be more than one person or a corporation; that if the context so requires, the singular pronoun shall be taken to mean and include the plural and the neuter, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

This agreement shall bind and inure to the benefit of, as the circumstances may require, not only the immediate parties hereto but their respective heirs, executors, administrators, personal representatives, successors in interest and assigns as well.

IN WITNESS WHEREOF, said parties have executed this instrument in duplicate; if either of the undersigned is a corporation, it has caused its corporate name to be signed and its corporate seal affixed hereto by its officers duly authorized thereunto by order of its board of directors.

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.

\* BUYER: Comply with ORS 93.905 at or prior to exercising this remedy. NOTE-The sentence between the symbols ①, if not applicable, should be deleted. See ORS 93.030.

(If executed by a corporation, affix corporate seal)

(If the signer of the above is a corporation, use the form of acknowledgment opposite.)

STATE OF OREGON,

County of KLAMATH

This instrument was acknowledged before me on MARCH 29 1988 by DONALD E. KNOLES + M. LORRAINE KNOLES

[Signature]  
Notary Public for Oregon  
(SEAL)  
My commission expires: 6-21-88

STATE OF OREGON,

County of \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_, by \_\_\_\_\_

as \_\_\_\_\_ of \_\_\_\_\_

Notary Public for Oregon

My commission expires: \_\_\_\_\_

(SEAL)

ORS 31.010 (1) If instruments contracting to convey fee title to any real property, at a time more than 12 months from the date that the instrument is executed, by a party who is bound, shall be acknowledged, in the manner provided for acknowledgment of deeds, by the conveyer of the title to be conveyed, such instruments, or a memorandum thereof, shall be recorded by the conveyer not later than 15 days after the instrument is executed and the parties are bound therefor.  
ORS 31.010 (1) Violation of ORS 31.010 is punishable, upon conviction, by a fine of not more than \$100.  
(DESCRIPTION-CONTINUED)

STATE OF OREGON: COUNTY OF KLAMATH: ss. \_\_\_\_\_ the 30th day

Filed for record at request of Klamath County Title Company the \_\_\_\_\_  
of March A.D., 19 88 at 1:47 o'clock P M., and duly recorded in Vol. M88  
of \_\_\_\_\_ Deeds on Page 4434

FEE \$10.00

By Evelyn Biehn County Clerk  
[Signature]

THANK YOU FOR YOUR BUSINESS  
Klamath County Title Company  
1000 N. Commercial  
Medford, Oregon 97504  
Phone (503) 753-1111  
Fax (503) 753-1112