

THIS CONTRACT, made and entered into this 31<sup>st</sup> day of March, 1988, by and between LARRY C. DILLON and JACQUELINE L. DILLON, Husband and Wife, hereinafter called Seller, and DOROTHY L. ELLIOTT hereinafter called Buyer (it being understood that the singular shall include the plural if there are two or more sellers and/or buyers).

## W I T N E S S E T H:

Seller agrees to sell to the Buyer and the Buyer agrees to buy from the Seller for the price and on the terms and conditions set forth hereafter all of the following described property and improvements legally described as follows, to-wit:

The East one-half of Lot 6 of VILLA SAINT CLAIR, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

SUBJECT TO: contracts and/or liens for irrigation and/or drainage, the schedule of exclusions from coverage, together with any schedules contained in standard title policies, reservations, easements, restrictions and rights of way of record and those apparent on the land.

ALSO SUBJECT TO: rights of the public in and to any portion of the herein described premises lying within the limits of streets, roads or highways.

ALSO SUBJECT TO: the statutory powers, including the power of assessment, of South Suburban Sanitary District.

ALSO SUBJECT TO: the statutory powers, including the power of assessment of Klamath Irrigation District.

ALSO SUBJECT TO: reservations and restrictions as contained in Deed recorded July 14, 1942 in Volume 148, Page 395, Deed Records of Klamath County, Oregon, including but not limited to the following: "Subject to certain governmental charges and Klamath Irrigation District charges, and easements, right of way and roadways affecting said premises together with the right of grantor and assigns to make connections for passage of water, electricity, telephone and public utilities generally."

ALSO SUBJECT TO: Trust Deed, including the terms and provisions thereof, given to secure an indebtedness with interest thereon and such future advances as may be provided therein;

Dated: August 24, 1973

Recorded: August 27, 1973

Volume: M73, Page 11558, Microfilm Records of Klamath County, Oregon

Amount: \$12,600.00

Grantor: Larry C. Dillon and Jacqueline L. Dillon, husband and wife

Trustee: William Ganong, Jr.

Beneficiary: First Federal Savings and Loan Assoc. of Klamath Falls, which said Trust Deed encumbers other property, as well as the property which is to be conveyed by the within Land Sale Contract.

It is agreed by and between Buyer and Seller that Buyer does not assume the said Trust Deed, but instead that the funds received in payment of the within Land Sale Contract shall be applied by the Seller in partial payment of the said Trust Deed.

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.

It is mutually agreed as follows:

1. **Possession:** Buyer shall be entitled to possession of the property ~~XXXXXX XXXXXXXXXX~~ 45 days from date herein.

2. **Prepayment Privileges:** After the date hereof, Buyer shall have the privilege of increasing any payment or prepaying the entire balance provided for hereinafter with interest due thereon to the date of payment;

3. **Payment of Liens and Taxes:** Buyer shall pay promptly all indebtedness incurred by their acts which may become a lien or purported lien, upon said property, and shall regularly and before the same shall become delinquent, pay all taxes, including adjustment of same for any reason, assessments, liens, and encumbrances of whatsoever kind affecting said property after this date, provided, all such taxes, assessments and charges for the current year shall be pro-rated as of the date hereof, and in the event Buyer shall fail to so pay, when due, any such matters or amounts required by Buyer to be paid hereunder, or to procure and pay seasonably for insurance, Seller may pay any or all such amounts and any such payment shall be added to the purchase price of said property on the date such payments are made by Seller and such amount shall bear interest at the same rate as provided herein, without waiver, however, of any right arising to Seller for Buyer's breach of contract, and, in such event or events, the escrow holder is hereby directed and authorized to so add such amounts to the contract balance upon being tendered a proper receipt therefore;

4. **Insurance:** Buyer shall keep any buildings on said property insured against loss or damage by fire or other casualty in an amount not less than the full insurable value thereof with loss payable in the parties hereto and the interests herein reflected, if any, all as their interests appear at the time of loss, all uninsured losses shall be borne by the Buyer on or after the date Buyer becomes entitled to possession; Buyer shall furnish Seller proof of such insurance coverage;

5. **Waste Prohibited:** Buyer agrees that all improvements now locate or which shall hereafter be placed on the property, shall remain a part of the real property and shall not be removed at any time prior to the expiration of this agreement without the written consent of Seller. Buyer shall not cut or remove any timber, trees or shubbery without Sellers prior written consent. Buyer shall not commit or suffer any waste of the property, or any improvements thereon, or alteration thereof, and shall maintain the property, improvements and alterations thereof, in good condition and repair, provided, ~~Buyer shall not make or cause to be made any major improvements or alterations to the property without first obtaining the written consent of Seller;~~

6. **Transfer of Title:** Seller shall upon the execution hereof make and execute in favor of Buyer a good and sufficient

deed conveying said property free and clear of all liens and encumbrances, except as provided on Exhibit "A", together with a good and sufficient Bill of Sale or Certificate of Title as appropriate and will place said documents, together with one of these agreements, in escrow at Mountain Title Company, 407 Main Street, Klamath Falls, Oregon, and shall enter into written escrow instructions in form satisfactory to said escrow holder and the parties hereto, instruct said escrow holder that when, and if, Buyer shall have paid the balance of the purchase price in accordance with the terms and conditions of this contract, said escrow holder shall deliver said documents to Buyer, but in case of default by Buyer said escrow holder shall, on demand, surrender said documents to Seller;

**7. Tax Payment Procedures:**

(a) Until a change is requested, all tax statements shall be sent to the address designated by Buyer hereinafter, as well as to Klamath First Federal Savings and Loan Association, the beneficiary of that Trust Deed referred to hereinabove. For so long as there shall be an unpaid balance owing on the aforesaid Trust Deed, it is the expectation of the parties that Klamath First Federal Savings & Loan Association will have collected sufficient funds in a reserve account so as to the pay the said real property taxes, for the account of seller. Buyer shall be required to reimburse seller for the full amount of real property taxes paid within thirty (30) days of such payment by seller or Klamath First Federal Savings and Loan Association to the Klamath County Tax Collector.

(b) In the event that buyer shall fail to reimburse seller for the amount of real property taxes paid, the escrow holder is hereby directed and authorized to so add such amounts to the contract balance upon being tendered a proper receipt therefore, all in accordance with paragraph 3 hereinabove.

**8. Property Taken "As Is":** Buyer certifies that this contract of purchase is accepted and executed on the basis of his own examination and personal knowledge of the premises and opinion of the value thereof; that no attempt has been made to influence his judgment; that no representations as to the condition or repair of said premises have been made by Seller or by an agent of Seller; and that Buyer takes said property and the improvements thereon in the condition existing at the time of this agreement;

**9. Consent to Assignment:** Buyer shall not assign this agreement, his rights thereunder, or in the property covered thereby without the written consent of Seller. Such consent shall not be unreasonably withheld.

**10. Time of Essence:** It is understood that and agreed between the parties that time is of the essence of this contract;

**11. Default:** In case Buyer shall fail to make the payments aforesaid, or them punctually and upon the strict terms and at the times above-specified or fail to keep any of the terms or conditions of this agreement, then the Seller at his option shall have the following rights;

a) To declare this contract null and void, after giving such notice as is then required by Oregon Revised Statutes; and/or

b) To declare the whole unpaid principal balance of said purchase price with the interest thereon at once due and payable; and/or

c) To withdraw said deed and other documents from the escrow and/or;

d) To foreclose this contract by suit or by strict foreclosure 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 determine, and the right to the possession of the premises above-described and all other rights acquired by the Buyer hereunder shall revert to and revest in said Seller without any act of re-entry, or any other act of said Seller to be performed and without any right of Buyer of return, reclamation or compensation for monies 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. The said Seller, in case of such default, shall have the right immediately, or any time thereafter, to enter upon the land aforesaid, without any process of law, and take immediate possession thereof, together with all of the improvements thereon; and alternatively, Buyer shall have the right to apply to the Court for appointment of a receiver as a matter of right and nothing in this contract shall preclude appointment of the Seller as such receiver;

12. **Abandonment:** Should Buyer, while in default, permit the premises to become vacant for a period in excess of 20 days, Seller may take possession of same individually or by appointment of a receiver by self-help or by Court order for the purpose of protecting and preserving the property and his security interest herein, and in the event possession is so taken by Seller he shall not be deemed to have waived his right to exercise any of the foregoing rights;

13. **Attorney Fees:** In the event suit or action is instituted to enforce any of the terms of this contract, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorney's fees at trial or on appeal of such suit or action, in addition to all other sums provided by law;

14. **No Waiver:** Buyer further agrees that failure by Seller at any time to require performance by Buyer of any provision hereof shall in no way affect Seller's right hereunder to enforce the same, nor shall any waiver by 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;

15. **Binding on Successors:** This agreement shall bind and inure to the benefit of, as the circumstances may require, the parties hereto and their respective heirs, executors, administrators, successors and assigns, subject to the foregoing;

16. **Purchase Price and Payments:** The purchase price for the interest conveyed is the sum of TWENTY-FOUR THOUSAND NINE HUNDRED AND NO/100THS DOLLARS (\$24,900.00) payable as follows:

(a) Buyer shall pay an initial payment in the sum of ONE THOUSAND AND NO/100THS DOLLARS (\$1,000.00); and

(b) The remainder of the purchase price in the amount of TWENTY THREE THOUSAND NINE HUNDRED AND NO/100THS DOLLARS (\$23,900.00) shall be payable in monthly installments of \$224.59 per month, including interest at the rate of 10 percent (10%) per annum on the unpaid balance, which said sum includes principal

and interest; together with the applicable collection escrow fees; the first of such payments shall be payable on the 1st day of May, 1988, with a further and like installment payable on the 1st day of each and every month thereafter, until the full amount of principal and interest shall have been paid in full; and

(c) In addition to the monthly payments provided for hereinabove, seller shall be required to make additional lump sum payments on the dates and in the amounts as follows:

1. November 15, 1988 - \$3,000.00
2. November 15, 1989 - \$2,000.00

the parties understand that the escrow agent shall, upon receipt of any payment amounts, first apply the same to interest accrued to the date of payment, with the remainder to be applied to principal.

17. **Escrow Funds Distribution:** It is understood by and between the parties that the real property being conveyed by the within instrument is encumbered by a certain Trust Deed, including the terms and provisions thereof, more particularly described hereinabove, owing to Klamath First Federal Savings and Loan Association. It is agreed that the escrow holder named herein, or its successor, upon receipt of payments from Buyer, shall remit the same in payment of the obligation owing to Klamath First Federal Savings and Loan Association until such time as Klamath First Federal Savings and Loan Association shall be willing to release the property from the effect of the aforesaid Trust Deed, or until the said obligation shall have been paid in full. Seller agrees that the proceeds from payments made hereunder by Buyer shall be utilized by Seller (and the named escrow agent) in payment of the aforesaid obligation, which Buyer does not assume.

18. **Late Payment Penalty:** In addition to any other remedy afforded Seller herein, Seller shall be entitled to receive payment in the amount of ONE DOLLAR AND NO/100THS DOLLARS (\$.00) per day, in addition to the regularly-scheduled payments set forth in paragraph 16 hereinabove as and for a late payment penalty, should Buyer fail to make any payment required to be made hereunder within fifteen (15) days of the day due. Although the said late payment penalty shall not accrue unless the payment is 15 days in arrears, nevertheless, if the payment is 15 days in arrears, the late payment penalty shall accrue from the date due. Seller shall be required to notify both Buyer and the escrow agent named herein (or its successor) of the accrual of such late payment charge, which such charge shall be credited only as an additional charge to Buyer and not as a credit to either interest of principal;

IN WITNESS WHEREOF, the parties have caused this agreement to be executed the day and year first hereinabove written.

**SELLER:**

Larry C. Dillon  
Larry C. Dillon

Jacqueline L. Dillon  
Jacqueline L. Dillon

**BUYER:**

Dorothy L. Elliott  
Dorothy L. Elliott

STATE OF OREGON/County of Klamath)ss:

PERSONALLY APPEARED BEFORE ME the above-named LARRY C. DILLON and JACQUELINE L. DILLON, Husband and Wife, and acknowledged the foregoing Land Sale Contract to be their voluntary act and deed.

DATED this 1 day of April, 1988.

Darlene Drisker  
NOTARY PUBLIC FOR OREGON

My Commission Expires: 6-16-88

STATE OF OREGON/County of Klamath)ss.

PERSONALLY APPEARED BEFORE ME the above-named DOROTHY L. ELLIOTT and acknowledged the foregoing Land Sale Contract to be her voluntary act and deed.

DATED this 31 day of March, 1988.

Darlene Drisker  
NOTARY PUBLIC FOR OREGON

My Commission Expires: 6-16-88

GRANTOR'S NAME AND ADDRESS  
Larry & Jacqueline Dillon  
4737 Summers Lane  
Klamath Falls, OR 97603

GRANTEE'S NAME AND ADDRESS  
Dorothy L. Elliott  
2425 Summers Lane #13  
Klamath Falls, OR 97603

AFTER RECORDING, RETURN TO:

MTG  
407 Main  
R.F.

UNTIL A CHANGE IS REQUESTED  
TAX STATEMENTS SHOULD BE  
SENT TO:

KFFS+L

Fee: \$30.00

STATE OF OREGON/County of Klamath)ss:  
I CERTIFY that the within instrument was received for record on the 1st day of April, 1988 at 2:27 o'clock P.M. and recorded in Book M88 on Page 4730 or as File/Reel number 85833, Records of Deeds of said County.  
WITNESS MY HAND AND SEAL OF COUNTY AFFIXED.

Evelyn Biehn, County Clerk  
Recording Officer

By: Pat Smith

porting: 3909 14BB 1200