

80003

12206

REAL ESTATE CONTRACT

Dated: July 1, 1988

1. Sellers, DELMAR E. KENDRICK, owner of a fifty-one percent (51%) interest, and NORMAN R. HALLYBURTON, owner of a forty-nine percent (49%) interest as tenants in common, in the respective percentages, agree to sell to Purchasers, THOMAS C. COX and COLLEEN D. COX, individually, and as husband and wife, and Purchasers agree to buy from Sellers, the following property in Klamath County, Oregon:

Beginning at the S. W. corner of Section 30, Twp 24 S, R9E, WM; thence S. 88° 58' E. along the S. line of said Section 30, 957.09 feet, more or less, to a point on the Easterly right-of-way line of Highway No. 97; thence N. 25° 48' E. 435.55 feet to the true POB; thence N. 26° 44' 06" East along the Easterly right-of-way line of Highway No. 97, 306.07 feet; thence N 30° 41' E along said Easterly right-of-way line of Highway No. 97, 77.10 feet; thence S. 62° 04' 16" E. 181.96 feet; thence S. 39° 56' W. 303.90 feet; thence S. 14° 40' W. 74 feet; thence N. 67° 58' W. 133.75 feet to the POB.

2. PURCHASE PRICE: The purchase price is \$12,000.00, of which \$2,000.00 has been paid, receipt being acknowledged. Purchasers agree to pay the balance of the

purchase price, together with interest on deferred balances at the rate of 12 % per annum from August 1, 1988, as follows:

NRH
TC
CC
\$225.00 monthly. However, Purchasers may at their option skip up to ~~two~~ ^{three} (3) monthly payments, provided they have previously paid an amount equal to the payments being skipped to the end that they pay \$2,700.00 annually.

Payments herein provided shall be paid (51%) to Delmar E. Kendrick and (49%) to Norman R. Hallyburton at their present respective addresses until notified in writing of any change in address or addresses.

3. POSSESSION: Purchasers shall be entitled to immediate possession of the property.

4. ASSESSMENTS AND TAXES: Purchasers shall pay, before delinquency, all taxes, assessments, water rents or water assessments, utility charges, and operation or construction charges not now delinquent, and all levied or assessed against the property and hereafter falling due; except that real estate taxes for year 1988 and personal property taxes for year 1988 shall be prorated. In the event any taxes, assessments, rents or charges to be paid by Purchasers are paid by Sellers, Purchasers shall promptly reimburse Sellers. Upon failure of Purchasers to pay any taxes, assessments, rents or charges to be paid by Purchasers, Sellers may, at their option, declare a forfeiture of this contract or pay and discharge any such tax, assessment, rent or charge, and any amount so paid shall be added to and be secured in the same manner as the unpaid purchase price, bear interest at the rate of 1.5% per month, and be due immediately.

5. IMPROVEMENTS: All improvements now or hereafter made to or placed on the property shall become a part thereof and shall not be removed.

7. LIENS, CHARGES AND ENCUMBRANCES: Purchasers shall pay, before delinquency of any debts secured thereby, all liens, charges or encumbrances hereafter lawfully imposed on the property, assumed by Purchasers in this contract or subject to which this purchase and sale is made; and shall not allow any part of the property to become subject to liens, charges or encumbrances having priority over the rights of Sellers in the property. Notwithstanding anything to the contrary provided above in

this paragraph 6, Purchasers shall not be responsible for any liens or encumbrances (or payment of the obligations secured thereby) imposed upon said property subsequent to the date of this contract by or through Sellers unless such liens, encumbrances or obligations are expressly assumed by Purchasers.

7. CONDITION OF PREMISES: Purchasers shall maintain the property and all improvements now or later placed on the property in a good state of repair, shall not make any material alterations without the written consent of Sellers, and shall not allow or commit any waste.

8. USE OF PROPERTY: Purchasers shall not make nor allow any unlawful use of the property.

11. INSURANCE: Insurance of at least \$7,500.00 on the building and \$5,000.00 on the contents shall be maintained until this contract shall have been paid in full with both Sellers named as co-insureds as each of their interests may appear. Purchasers shall insure with companies satisfactory to Sellers the buildings now or hereafter placed on the property and all personal property included in this contract in the sum of not less than amounts herein above specified, with loss thereunder payable first to Sellers, then to Purchasers, as their respective interests may appear. The policy shall be held by Seller, Norman R. Hallyburton.

In the event of destruction of or damage to any of said buildings or personal property and the collection of insurance during the life of this contract, the money received on said insurance may, at the option of Purchaser, be used in the restoration of said improvements, provided that Purchasers are not at the time in default under the provisions of this contract. If Purchasers fail to procure insurance, Sellers are authorized to do so, and the cost may be added to the balance due hereunder and shall bear interest at 1.5% per month, and shall become due immediately, or Sellers may, at Sellers' option, forfeit this contract for the failure of Purchasers to procure insurance.

10. CONDEMNATION: If the property or any part shall be taken and condemned, such taking shall not be a ground for rescission of this contract. The award made for the taking shall be deemed to be the property of Purchasers, but shall be paid to Sellers to apply upon the purchase price, not exceeding any amounts then unpaid hereunder.

11. ASSIGNMENT OR TRANSFER: The Purchasers shall

not assign this contract without the written consent of the Sellers. The Sellers shall not unreasonably withhold such consent; and, once given, such consent shall not waive the requirements of this paragraph as to any subsequent assignment of this contract.

12. DESTRUCTION OF PROPERTY: In the event of damage to or destruction of any buildings or improvements upon the property, such damage, as between the parties, shall be the loss of Purchasers and shall not be a ground for rescission of this contract or abatement of purchase price.

13. DEED: When Purchasers have fully performed this contract, Sellers shall execute and deliver to Purchasers a statutory warranty deed conveying the property free and clear of all encumbrances, except any encumbrances agreed to by Purchasers. Warranties of Sellers are limited to the date of this contract, except for affirmative acts of Sellers thereafter.

14. SELLERS' REMEDIES: Time is of the essence of this contract. If the Purchasers fail to make any payment or perform any obligation hereunder, Sellers shall be entitled to exercise all rights and remedies as allowed by law or equity, including the right to elect one or more of the following remedies:

(1) To forfeit this contract under applicable law, in which event, without limiting any remedies of Sellers as provided by said laws, all right, title and interest of Purchasers and parties claiming an interest in the real and/or personal property subject to this contract shall be cancelled and terminated; all prior payments shall be retained by the payee thereof; all improvements and unharvested crops shall be forfeited; and Sellers shall be entitled to possession of the real and/or personal property, which right may be enforced under applicable laws.

(2) To declare all amounts payable under this contract immediately due and payable and institute suit to collect such amounts, together with reasonable attorneys' fees; provided, if within thirty (30) days after commencement of such action, Purchasers cure the default(s) and pay to Sellers, Sellers actual attorneys' fees incurred and

other taxable costs of suit, this contract shall be reinstated.

(3) To commence an action for the collection of past due payments or obligations arising prior to the date of judgment.

(4) To commence an action for specific enforcement of Purchasers' obligations under this contract (including redress by either a mandatory or prohibitive injunction).

(5) If Purchasers are in default under this contract and abandons the real and personal property, if any, subject hereto, pending the exercise of other rights or remedies as provided for herein, Sellers may take immediate possession of the real and/or personal property for the purposes of preserving or otherwise protecting the property from loss, damage or waste.

15. NONWAIVER: Failure of Sellers to insist upon strict performance of Purchasers' obligations hereunder (e.g., accepting late or partial payments) shall not be construed as a waiver by Sellers of strict performance thereafter of all of Purchasers' obligations hereunder and shall not prejudice Sellers' remedies as provided herein or by law or equity.

16. VENUE: If either party commences an action to enforce their rights under this contract, venue of such action, at the option of Seller, shall lie in Klamath Falls County, Oregon.

17. ATTORNEYS' FEES - COSTS: In the event of a lawsuit between the parties to this contract, the prevailing party shall be entitled to recover judgment against the other party for reasonable attorneys' fees and costs (including title and lien searches) incurred either at trial or on appeal.

If either party exercises any nonjudicial right or remedy to enforce such party's rights hereunder, it shall be a condition for the cure of the default that the defaulting party pay the non-defaulting party's reasonable attorneys' fees incurred and all reasonable costs, including costs of service of notices and title and lien searches. Failure to pay such costs and reasonable attorneys' fees shall constitute an event of default under this

contract.

18. PURCHASERS' REMEDIES: If Sellers default with respect to Sellers' obligations under this contract, and if such default continues for fifteen (15) days after Purchasers give Sellers written notice specifying the nature of the default and actions necessary to cure the default, Purchasers shall have the right to specifically enforce this contract, institute suit for damages caused by the default or pursue any other remedy allowed by law or equity.

19. BINDING EFFECT: This agreement shall be binding upon and shall inure to the benefit of the legal representatives and proper assigns and successors of the parties.

23. NOTICE TO PURCHASERS:

Thomas C. Cox
Colleen D. Cox
P. O. Box 223
Crescent, OR 97733

Delmar E. Kendrick
DELMAR E. KENDRICK
Norman R. Hallyburton
NORMAN R. HALLYBURTON
SELLER

Thomas C. Cox
THOMAS C. COX
Colleen D. Cox
COLLEEN D. COX
PURCHASER

P. O. Box 223
Crescent, OR 97733

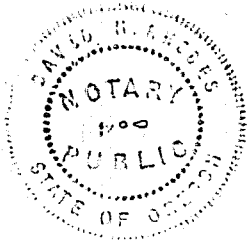
Address of Purchaser

STATE OF OREGON)
H. K. W. : ss.
County of Klamath)

I certify that I know or have satisfactory evidence that DELMAR E. KENDRICK signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 07/07/88

David W. Under
Notary Public in and for the
State of Oregon.
My Commission expires: 08/24/91



12262

STATE OF OREGON)
 County of DESCH) : ss.
Klamath

I certify that I know or have satisfactory evidence that NORMAN R. HALLEYBURTON signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: July 14, 1988

Linda Parley
 Notary Public in and for the
 State of Oregon.

My Commission expires: 12-29-90

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Thomas Cox
 of Aug. A.D., 1988 at 11:07 o'clock A.M., and duly recorded in Vol. M88
 of Deeds on Page 12256

FEE \$33.00

Evelyn Biehn
 By Dorlene Millender County Clerk

Return: Thomas Cox
 P.O. Box 217
 Chiloquin, Or. 97624