

LAND SALE CONTRACT

THIS CONTRACT, made and entered into this 1st day of September, 1988, by and between WILLIAM FRANK BROWN and INA BEATRICE BROWN, husband and wife, hereinafter called "Seller", and GILBERT MAXWELL and EVELYN MAXWELL, husband and wife, 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 Buyer and Buyer agrees to buy from Seller for the price and on the terms and conditions set forth hereafter all of the real property situated in the County of Klamath, State of Oregon, more particularly described in the attached Exhibit "A".

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 as of the date of closing of this transaction.
2. Repayment 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 prorated 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 therefor.

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4. Insurance: It is agreed that Buyer will keep any building or improvements on said property insured against loss or damage by fire or other casualty in an amount of not less than the full insurable value thereof with loss payable to 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 located 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 shrubbery without Seller's 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 hereinabove, and will hold said document, together with one of these agreements, and when and if Buyer shall have paid the balance of the purchase price in accordance with the terms and conditions of this contract, Seller shall deliver said documents to Buyer, but in case of default by Buyer, Seller shall retain said documents.

7. Tax Payment Procedures: Until a change is requested, all tax statements shall be sent to the address designated by Buyer. Buyer shall be required to pay the same and provide proof of such payment to Seller within thirty (30) days of the date of mailing said tax statement by Klamath County.

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 Buyer has made a personal inspection of the property so as to determine its acceptability, 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, with no express, implied, or other warranties by Seller.

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 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 make 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 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 Buyer as against Seller hereunder shall utterly cease and determine, and the right to the possession of the premiss above described and all other rights acquired by Buyer hereunder shall revert to and revest in 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 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. 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 twenty (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 thereof 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 EIGHTEEN THOUSAND FIVE HUNDRED DOLLARS (\$18,500) payable in monthly installments of \$180.00, including interest at the rate of 3.25 percent, beginning September 1, 1988, and continuing on the first day of each month thereafter until the full sum of principal and interest is paid in full. Interest shall commence on the date hereof. Monthly payments shall be made to Klamath First Federal Savings and Loan Association, 540 Main Street, Klamath Falls, Oregon, to W. F. Brown's account number _____.

17. Late Payment Penalty: In addition to any other remedy afforded Seller herein, Seller shall be entitled to receive payment in the amount of TEN DOLLARS (\$10), 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. 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 or principal.

18. Inclusion of Personal Property: It is agreed between Buyer and Seller that the property conveyed by the within Land Sale Contract includes a kitchen range and refrigerator, which said personal property items are located within the real property improvements conveyed by the within instrument. Buyer and Seller agree that there shall be no specific conveyance of title to the said personal property items to Buyer until payment in full of the balance hereof, and that the said personal property shall be treated as attached to and an improvement on the real property conveyed hereby, to be conveyed to Buyer only upon

completion of payments to be made pursuant to the within Land Sale Contract.

19. This contract is personal to Buyer and neither it nor any interest therein may be sold or assigned without Seller's express written consent. Provided, however, that in the event of any sale of the property, this contract, assignment thereof or any interest therein, before the Trust Deeds above referred to are fully paid, then the entire balance of principal and interest of this contract shall be payable in full.

IN WITNESS WHEREOF the parties have caused this agreement to be executed as of the day and year first above written.

William Frank Brown
WILLIAM FRANK BROWN

Ina Beatrice Brown
INA BEATRICE BROWN

Gilbert Maxwell
GILBERT MAXWELL

Evelyn D. Maxwell
EVELYN MAXWELL

STATE OF OREGON)
County of Klamath) ss.

Personally appeared before me the above named WILLIAM FRANK BROWN and INA BEATRICE BROWN and acknowledged the foregoing instrument to their voluntary act and deed.

(SEAL)

STATE OF OREGON)
County of Klamath) ss.

Personally appeared before me the above named GILBERT MAXWELL and EVELYN MAXWELL and acknowledged the foregoing instrument to be their voluntary act and deed.

(SEAL)

PUBLIC

STATE OF OREGON

Annita Cacka
Notary Public for Oregon
My Commission expires: 3-24-92

Annita Cacka
Notary Public for Oregon
My Commission expires: 3-24-88

EXHIBIT "A"

Lot 21, Block 9, Stewart Addition, Township 39,
Range 9, Section 7

PROMISSORY NOTE

\$18,500.00

Klamath Falls, Oregon

September 1, 1988

For value received, the undersigned promises to pay to the order of WILLIAM FRANK BROWN and INA BEATRICE BROWN, the sum of Eighteen Thousand Five Hundred Dollars, with interest on the declining balances thereof at the rate of 3.25 percent per annum until paid, as follows:

Monthly payments in the amount of \$180.00, including interest, beginning September 1, 1988, and continuing on the 1st day of each month thereafter until the full sum of principal and interest is paid.

Interest shall commence on the date hereof.

All payments shall be applied first to interest accrued to the date payment is received by the Holder of this Note and then to reduce the principal amount of this Note. If any installment is not made within thirty (30) days of the due date thereof, such installment shall bear interest at the rate of ten percent (10%) per annum from its due date until paid, but in no event shall any installment of principal and interest so compounded exceed an amount equal to simple interest on the unpaid principal at the maximum rate permitted by law.

In the case of default in the payment of any installment for a period of more than thirty (30) days after the same becomes due and payable, the whole of the principal sum then remaining unpaid, together with interest thereon that shall have accrued, shall, at the election of the Holder of this Note, become immediately due and payable.

In the event any suit or action is instituted by the holder of this Note to collect any sum secured hereby, the prevailing party shall recover, in addition to costs provided by law, reasonable attorney fees, at both trial and on appeals, as shall be determined by the court having jurisdiction over any suit or action.

All parties to this Note, including guarantors, sureties, and endorsers, hereby severally waive presentment, protest and notice of nonpayment or any release or discharge arising from any extension of time of payment or from any other cause, at or after maturity.

Maker does hereby agree to execute any assignments, security interests, deeds of trust, or other documents necessary to continue Payor's security position.

Maker shall have the privilege of paying off the full amount of this Note, including interest that shall have accrued, at any time without penalty.

Gilbert Maxwell
GILBERT MAXWELL

Evelyn D. Maxwell
EVELYN MAXWELL

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of R. N. Belcher the 20th day
of Sept. A.D., 19 88 at 2:25 o'clock P.M., and duly recorded in Vol. M88
of Deeds on Page 15559

Evelyn Biehn County Clerk

By *Caulie Mullendore*

FEE \$38.00

Return: R.N. Belcher

601 Main, #204, Klamath Falls, Or. 97601