

This Agreement, made and entered into this 15th day of February, 1989 by and between

ROBERT D. GRAY

hereinafter called the vendor, and ANNA PHILLIPS

hereinafter called the vendee.

WITNESSETH

Vendor agrees to sell to the vendee and the vendee agrees to buy from the vendor all of the following described property situate in Klamath County, State of Oregon, to-wit:

Lot 7, Block 6, Tract No. 1025, WINCHESTER, in the County of Klamath, State of Oregon.

SUBJECT TO: Conditions, restrictions, regulations, levies, assessments, water and irrigation rights, easements, rights of way of record and those apparent on the land, and SUBJECT TO a contract of sale between the Administrator of Veteran's Affairs as vendor and Robert D. Gray as vendee, which the vendee of this agreement does not assume and vendor agrees to hold vendee harmless therefrom.

Klamath County Assessor's Code 041 - Map 3909-11CD,
Tax Lot #10300 - Key No. 555802

at and for a price of \$ 37,500.00 , payable as follows, to-wit:

\$ 4,500.00 at the time of the execution of this agreement, the receipt of which is hereby acknowledged; \$ 33,000.00 with interest at the rate of 10 % per annum from February 15, 1989 payable in installments of not less than \$ 350.00 per month inclusive of interest, the first installment to be paid on the 15th day of March 1989, and a further installment on the 15th day of every month thereafter until the full balance and interest ~~are paid~~ February 15, 1991 when the full amount of principal and interest is due and payable. In addition to the \$350.00 monthly payment, the vendee shall pay the sum of \$75.00 per month for taxes which sum shall be credited against the principal balance of the contract. The vendor shall pay the real property taxes and when paid, shall present the escrow holder with a paid tax receipt. The escrow holder shall add the amount of the paid taxes to the principal balance of the contract. In the event that the real property taxes increase or decrease, the amount paid per month for real property taxes shall be increased or decreased accordingly.

Vendee agrees to make said payments promptly on the dates above named to the order of the vendor, or the survivors of them, at the Aspen Title & Escrow, Inc., 600 Main Street

at Klamath Falls,

Oregon; to keep said property at all times in as good condition as the same now are, that no improvement, now on or which may hereafter be placed on said property shall be removed or destroyed before the entire purchase price has been paid and that said property will be kept insured in companies approved by vendor against loss or damage by fire in a sum not less than \$ full insurable value with loss payable to the parties as their respective interests may appear, said policy or policies of insurance to be held by Director of Veteran's Affairs that ~~vendor~~ shall pay regularly and seasonably and before the same shall become subject to interest charges, all taxes, assessments, liens and incumbrances of whatsoever nature and kind

Vendee

~~and~~ agrees not to suffer or permit any part of said property to become subject to any ~~tax~~ assessments, liens, charges or incumbrances whatsoever having precedence over rights of the vendor in and to said property. Vendee shall not cut or remove any timber on the premises without written consent of vendor. Vendee shall be entitled to the possession of said property on closing

Vendor will on the execution hereof make and execute in favor of vendee good and sufficient warranty deed conveying a fee simple title to said property free and clear as of this date of all incumbrances whatsoever, except conditions, restrictions of record, regulations, liens, levies of Klamath Irrigation District and South Suburban Sanitary District

which vendee assumes, and will place said deed

together with one of these agreements in escrow at the Aspen Title & Escrow, Inc.

at Klamath Falls, Oregon

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and shall enter into written escrow instruction in form satisfactory to said escrow holder, instructing said holder that when, and if, vendee 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 instruments to vendee, but that in case of default by vendee said escrow holder shall, on demand, surrender said instruments to vendor.

But in case vendee shall fail to make the payments aforesaid, or any of them, punctually and upon the strict terms and at the times above specified, or fail to keep any of the other terms or conditions of this agreement, time of payment and strict performance being declared to be the essence of this agreement, then vendor shall have the following rights: (1) To foreclose this contract by strict foreclosure in equity; (2) To declare the full unpaid balance immediately due and payable; (3) To specifically enforce the terms of the agreement by suit in equity; (4) To declare this contract null and void, and in any of such cases, except exercise of the right to specifically enforce this agreement by suit in equity, all the right and interest hereby created or then existing in favor of vendee derived under this agreement shall utterly cease and determine, and the premises aforesaid shall revert and revest in vendor without any declaration of forfeiture or act of reentry, and without any other act by vendor to be performed and without any right of vendee of reclamation or compensation for money paid or for improvements made, as absolutely, fully and perfectly as if this agreement had never been made.

Should vendee, while in default, permit the premises to become vacant, Vendor may take possession of same for the purpose of protecting and preserving the property and his security interest therein, and in the event possession is so taken by vendor he shall not be deemed to have waived his right to exercise any of the foregoing rights.

And in case suit or action is instituted to foreclose or to enforce any of the provisions hereof, the prevailing party in such suit or action shall be entitled to receive from the other party his costs which shall include the reasonable cost of title report and title search and such sum as the trial court and or appellate court, if an appeal is taken, may adjudge reasonable as attorney's fees to be allowed the prevailing party in said suit or action and or appeal, if an appeal is taken.

Vendee further agrees that failure by vendor at any time to require performance by vendee of any provision hereof shall in no way affect vendor's right hereunder to enforce the same, nor shall any waiver by vendor of such 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.

In construing this contract, it is understood that vendor or the vendee may be more than one person; that if the context so requires the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine, 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, the parties hereto and their respective heirs, executors, administrators and assigns.

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.

Witness the hands of the parties the day and year first herein written.

Robert D. Gray

Anna Phillips

STATE OF OREGON

County of Klamath

February 15, 1989

ss.

Personally appeared the above named Robert D. Gray

and acknowledged the foregoing instrument to be his act and deed.

Before me:

Andrea Handmaker
Notary Public for Oregon

My commission expires: 7-23-89

Until a change is requested, all tax statements shall be sent to the following name and address:

State of Oregon, County of Klamath

I certify that the within instrument was received for record on the day of 19 at o'clock m and recorded in book on page Record of Deeds of said County.

From the office of
WILLIAM L. SISEMORE
Attorney at Law
First Federal Bldg.
540 Main Street
Klamath Falls, Ore.

Witness My Hand and Seal of County Affixed.

County Clerk - Recorder

By

Deputy

STATE OF ~~CALIFORNIA~~ OREGONCounty of Klamath) SSDate: February 16, 1989 - Personally appeared the above named Anna Phillips and acknowledged the foregoing instrument to be her voluntary act and deed. Before me:

(SEAL) My Commission Expires: 7-23-89

Jandra Handraker
Notary Public for ~~California~~ OREGON

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title Co. the 16th day
of Feb. A.D., 19 89 at 3:08 o'clock P.M., and duly recorded in Vol. M89,
of Deeds on Page 3022.Evelyn Biehn
By Caroline Mullins County Clerk

FEE \$18.00

Return: A.T.C.