

41327
LAND SALE CONTRACT

May, 1989 THIS CONTRACT, made and entered into this 30th day of April, 1986, by and between JACK P. GANN and JOYCE MAY GANN, husband and wife, hereinafter called Seller, and DENNIS RICHARD TEATER and SHIRLEY RUTH TEATER, 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 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 on Exhibit "A", attached hereto and incorporated by reference herein as if fully set forth, subject to the encumbrances also set forth on Exhibit "A".

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTALLMENT 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 hereof;
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 shall be prorated as of April 1, 1986, 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 property 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;

LAND SALE CONTRACT - Page One

EXHIBIT "C"

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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 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 Klamath County Title Company, 422 Main Street, Klamath Falls, Oregon, 97601 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:** Until a change is requested, all tax statements shall be sent to the address designated by Seller hereinafter. Seller shall then forward such tax statements to Buyer who shall be required to pay the same and provide proof of such payment to Seller within thirty (30) days of the date of Seller's mailing of the said tax statement.

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. In the event the within described property, any part thereof, any interest therein (whether legal or equitable) is sold, agreed to be sold, conveyed, assigned or alienated by the Buyer without having first obtained the written consent or approval of the Seller, then, at the Seller's option, all obligations secured by this instrument, irrespective of the maturity date expressed herein, shall become immediately due and payable;

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 insure 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. Terms of Payment: The purchase price of the interest conveyed by the within instrument shall be the sum of Seventy-five Thousand Dollars (\$ 75,000.00), payable as follows:

(a) " A deferred down/payment in the amount of \$ 20,000.00 shall be payable on or before April 10, 1992 accumulation of which said sum shall be in the form of a contribution by Buyer to a deferred annuity contract in Seller's name with minimum contributions to be made thereto in the amount of \$ 3,000.00 in any one calendar year, or a minimum of \$ 250.00 for each month beginning September 10, 1986 until such time as there shall be sufficient funds accumulated to provide for such lump sum payment. Because the aforesaid deferred down/payment is being made six years after the date hereof, the parties have agreed that the Buyer shall receive a credit as against the purchase price of the real property conveyed hereby in the amount of only \$ 15,000.00 as against the total sales price of \$ 75,000.00.

(b) The remaining balance of the purchase price in the amount of \$ 60,000.00 shall be paid in monthly installments of \$ 526.54, including interest at the rate of ten percent (10%) per annum on the unpaid balance, the first such installment to be paid on the tenth day of April, 1986, and a further and like installment to be paid on or before the tenth day of each month thereafter until the entire purchase price, including both principal and interest is paid in full.

17. Late Payment Penalty: In addition to any other remedies afforded to Seller herein, Seller shall be entitled to receive payment in the amount of \$ 1.00 per day, in addition to the regularly scheduled payment set forth herein above, (\$ 526.54) as and for a late payment charge, should Lessee fail to make any payment required to be made hereunder on the date due. Lessor shall be required to notify both Lessee and Klamath County Title Company (or the successor collection agent) of the accrual of such late payment charge, which such charge shall be credited only as an additional charge to Lessee and not as a credit to either interest or principal.

18. 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 mortgage, including the terms and provisions thereof, dated March 10, 1965, recorded March 12, 1965 at Book 229, Page 152, Mortgage Records of Klamath County, Oregon, wherein Clarence M. Gentry, Jr. and Barbara A. Gentry, husband and wife, are mortgagors, and Pacific First Federal Savings and Loan is mortgagee. It is agreed that the escrow holder named herein, or its successor, upon receipt of payment by Buyer shall remit the same in payment of the monthly obligation required to be paid pursuant to said mortgage. Seller agrees that proceeds from such payments shall be utilized by Seller in payment of the said obligation, which Buyer does not assume.

19. Inclusion of Personal Property: It is understood by and between Buyer and Seller that the property conveyed by the within Land Sale Contract includes a disposal, counter-top range, built in oven, carpets, drapes and curtains and dishwasher. Buyer and Seller further agree that there shall be no conveyance of title to the said personal property, but that title thereto shall be held in escrow by the escrow agent named in paragraph 6 hereinabove, and that the said personal property shall be treated as though attached to and an improvement on the real property conveyed hereby, and that in the event of default, such personal property shall be included as items which may be reclaimed or dealt with in accordance with the default provisions set forth in paragraph 11 hereinabove. Buyer may replace such personal property items with items of similar or better nature, and in such event, the replacement items shall remain as security for repayment of the obligation secured hereby.

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D. B.
J. B.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed this 30th day of May, 1989

BUYERS:

DENNIS R. TEATER

SHIRLEY R. TEATER

SELLERS:

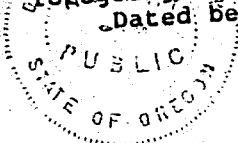
JACK D. GANN

JOYCE M. GANN

STATE OF OREGON)
County of Klamath) ss.

Personally appeared the above-named DENNIS R. TEATER and SHIRLEY R. TEATER, husband and wife, and acknowledged the foregoing instrument to be their voluntary act and deed.

Dated before me this 30th day of May, 1989.



Debra B. [Signature]
Notary Public for Oregon

My Commission Expires: 12-19-92

STATE OF OREGON)
County of Klamath) ss.

Personally appeared the above-named JACK D. GANN and JOYCE M. GANN, husband and wife, and acknowledged the foregoing instrument to be their voluntary act and deed.

Dated before me this 30th day of May, 1989.



Debra B. [Signature]
NOTARY PUBLIC FOR OREGON

My Commission Expires: 12-19-92

Grantor's Name and Address

Grantee's Name and Address

After Recording Return To:

KCTC

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

Mr. & Mrs. Dennis Teater

6720 Amber Way

Klamath Falls, Oregon 97603

Name and Address

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STATE OF OREGON)
County of Klamath) ss.
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 _____ or as file/reel no. _____

Deeds of said county.

Witness my hand and seal of County affixed.

Recording Officer

Deputy

"Lot 13, Block 4, Moyina Second Addition according to the official plat thereof on file with the 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.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING AND 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.

SUBJECT TO a certain Mortgage referred to in paragraph 18 hereof, and which said obligation is to be paid by Seller from out of the proceeds from payments hereunder and which is not assumed by Buyer.

EXHIBIT "A" TO LAND SALE CONTRACT

ADDENDUM TO LEASE-OPTION TO PURCHASE, PROMISSORY NOTE, AND LAND SALE CONTRACT

This ADDENDUM is intended by the parties to clarify the terms of the above-noted documents and agreements entered into this date, contemporaneously herewith, as the same relates to payments into a certain annuity more specifically described at page four paragraph 16 (a) of the Land Sale Contract, as follows:

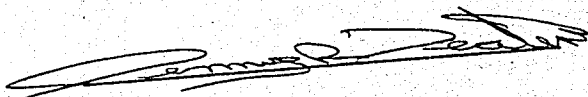
The parties agree that the annuity contributions to be made by Teater shall be at the level set forth in the Promissory Note and Land Sale Contract (\$3,000.00 annually or \$250.00 monthly) for such period as is necessary to attain a total amount in the said annuity AFTER INCLUSION OF INTEREST AT THE RATE OF 9% PER ANNUM of \$20,000.00 on or before April 10, 1992.

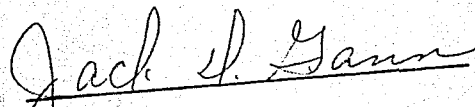
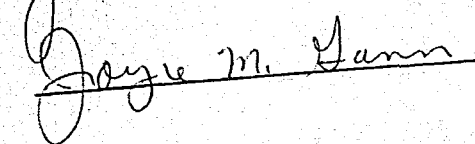
Should the interest rate paid on the said annuity be lower than 9%, then Teater shall be required to make additional contributions so as to attain the MINIMUM annuity level of \$20,000.00.

Should the interest rate paid on the said annuity thereafter increase to an amount greater than 9%, then Gann shall receive the "benefit" of such increase in interest rates, and the amount received on or before April 10, 1992 may exceed \$20,000.00. Gann shall, however, receive the said sum without any further credit afforded to Teater than the \$15,000.00 amount referred to in paragraph 16 (a) of the Land Sale Contract. Further, should Teater fail to exercise the Option and "vacate" the premises, resulting in termination of the Lease - Option To Purchase, then all sums contributed to the date of "vacating" shall be and remain the property of Gann.

This ADDENDUM is by this reference made of part of each of the above-noted documents, is incorporated therein by reference, and should the terms hereof be contradictory thereto, is to control interpretation thereof.

Dated this 16th day of April, 1986.


Shirley Teater


Jack H. Gann

Joyce M. Gann

STATE OF OREGON: COUNTY OF KLAMATH: ss.
Filed for record at request of Klamath County Title Co. the 31st day
of May A.D., 19 89 at 9:11 o'clock A.M., and duly recorded in Vol. M89
of Deeds on Page 9421
By Evelyn Biehn County Clerk
Pauline Mullins

FEE \$38.00