

## CONTRACT FOR SALE OF REAL ESTATE

This Agreement is made between PAUL A. MONTGOMERY as one party and DAVID V. DAVIS and KIMBERLY A. DAVIS, Husband and Wife, as the other party, to modify certain payment provisions in the written contract between the parties dated April 17, 1981 for the sale and purchase of the real property in Klamath County, State of Oregon, described as the South 1/2 of Lot One and the Easterly 7.9 feet of the South 1/2 of Lot 2, Block 46, FIRST ADDITION TO THE CITY OF KLAMATH FALLS, with the improvements thereon, commonly known as 422 North Sixth Street in the City of Klamath Falls, Oregon.

For valuable consideration and particularly in consideration of the covenants contained herein whereby the second party as purchasers, David V. and Kimberly M. Davis, promise to maintain insurance and maintain in current condition the payment of all real estate taxes assessed against and due for payment upon the said property, and to make monthly payments into an account for that purpose, Paul A. Montgomery, as Seller of the said property under the contract, agrees to modify the installment payment requirements of the contract, as set forth below in this instrument.

The parties, Paul A. Montgomery as Seller, and David V. Davis and Kimberly A. Davis, Husband and Wife, as Buyers, therefore mutually agree as follows:

1. It is acknowledged that according to information to the parties by the collection department of Mountain Title Escrow at 407 Main Street in the City of Klamath Falls, the principal balance on the said contract of sale as due from Buyers to the Seller as of December 27, 1988, is \$24,950.64, with interest on the contract paid to that date, and that real estate taxes for the fiscal year 1988-1989 in the amount of \$651.38 have been advanced and paid by the Seller and the amount thereof included in the said balance due under the contract.
2. The parties acknowledge that Mountain Title holds a collection escrow account for them into which all payments due under the said contract are customarily made by the Buyers, with remittances made from the escrow in turn to and to the order of the Seller.
3. Buyers agree that from and after the date of this present instrument, which is made as of February 3, 1989, they will add the sum of \$54.00 to each payment to the escrow holder of the monthly installments due under the contract of sale. This additional payment is intended to furnish the Seller with funds to reimburse him for taxes paid from his collection with Mountain Title.
4. The sum of \$54.00 is that which is currently estimated by the Seller, on the basis of current tax bills, to furnish on an annual basis a total sum equal or about equal to taxes coming due for payment in the annual period following the date of this Modification Agreement. Seller has the right to adjust this figure upward or downward at any time when it appears to him upon information from the tax collector that a higher amount is reasonably required to meet the estimate, and Seller agrees

189 JUN 5 PM 2 49

that if at any time the result produces an excess of funds in the account, he will adjust this figure downward. Notice of adjustment shall be given by Seller to the Buyers at the address of the property by first class United States mail, postage prepaid, certified mail with return receipt requested, and shall be given by ordinary mail to the escrow holder.

5. On the condition that Buyers faithfully and punctually perform the above agreement to make tax impound payments as herein required, Seller agrees to suspend that provision in the contract of April 17, 1981 which would require full payment of the contract balance by April 17, 1991, and to accept monthly installments of no less than \$251.31 to be applied to interest on the unpaid balance accruing at the rate of 11% per annum, and the balance of each payment to principal, the amount of this payment calculated to amortize the existing balance at level payments over a period of approximately 22 years. To this monthly installment the sum of \$54.00 shall be added, and henceforth Buyers' payment each month shall be \$305.31, until adjusted upward or downward by notice as provided in the paragraph above.

6. Buyers promise also to supply Seller from time to time with current certificates of insurance, certifying to Seller the maintenance of insurance by policies of fire and extended coverage on the improvements to the realty in insuring amounts which comply with the contract of sale, and containing endorsement to show Seller as a loss-payee.

7. If Buyers fail to make payments as agreed in this Modification Agreement, or fail to provide such certificates of insurance, Seller may, upon 15 days' written notice to the Buyers, demand immediate performance, and if performance is not made within the 15 day notice period, may cancel this Modification Agreement. If such cancellation occurs before April 17, 1991, the entire balance of the purchase price shall become due on that date in accordance with the terms of the underlying contract of sale. If such cancellation should be made after April 17, 1991, the entire balance of the purchase price shall become due on the 90th day after notice, if Buyers fail to cure the default within the notice period.

8. This Modification Agreement, if performed faithfully by the Buyers, shall remain in effect until Buyers have paid the purchase price in full or until Buyers shall transfer possession of the property to any other party or parties or by deed, contract of sale, or other transaction intended to relieve Buyers of the primary responsibility for payment of the purchase price to Sellers herein, whichever event occurs earlier. If this Modification Agreement ceases to have effect because of the sale or transfer of the property or other event covered by this paragraph, the full balance due, principal and interest and the prorated portion of unpaid taxes, shall be immediately due and payable in full to the Seller. It is the intention of this paragraph that to the fullest extent permitted by law, this contract may not be assumed by a purchaser or other transferee of the Buyers without the written consent of the Seller obtained in advance.

9. Except as modified herein, the underlying Contract of Sale cited above remains in full force and effect, and the parties reserve to themselves all rights and remedies provided by the said contract and by the laws of the State of Oregon.

IN WITNESS WHEREOF, the parties have executed this Agreement, to be effective as of February 3, 1989.

*Paula Montgomery*  
PAUL MONTGOMERY  
Seller

*David V. Davis*  
DAVID V. DAVIS, Buyer

*Kimberly A. Davis*  
KIMBERLY A. DAVIS, Buyer

STATE OF OREGON )  
 ) ss.  
 County of Klamath )

Dated this 10 day of February, 1989, personally appeared the above named DAVID V. DAVIS, and acknowledged the foregoing instrument to be his voluntary act and deed.

Nick L. Young  
 NOTARY PUBLIC OF OREGON  
 My Commission Expires: 9-21-92

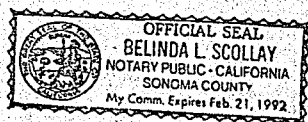
STATE OF OREGON )  
 ) ss.  
 County of Klamath )

Dated this 13 day of February, 1989, personally appeared the above named KIMBERLY A. DAVIS, and acknowledged the foregoing instrument to be her voluntary act and deed.

Nick L. Young  
 NOTARY PUBLIC OF OREGON  
 My Commission Expires: 9-21-92

STATE OF CALIFORNIA )  
 ) ss.  
 County of SONOMA )

Dated this 21st day of February, 1989, personally appeared the above named PAUL MONTGOMERY, and acknowledged the foregoing instrument to be his voluntary act and deed.



Belinda L. Scollay  
 NOTARY PUBLIC OF CALIFORNIA  
 My Commission Expires: 2-21-92

STATE OF OREGON,  
 County of Klamath ss.

Filed for record at request of:

David V. Davis  
 on this 5th day of June A.D., 19 89  
 at 2:49 o'clock P.M. and duly recorded  
 in Vol. M89 of Deeds Page 9852  
 Evelyn Biehn  
 By Belinda L. Scollay County Clerk

Fee, \$18.00

Deputy.

Return: David V. Davis  
 422 N. 6th St.  
 Klamath Falls, Or. 97601