

This Agreement, made and entered into this 1st day of July, 1989 by and between JAMES C. UPTON and DORIS B. UPTON, husband and wife,

hereinafter called the vendor, and

MICHAEL WARREN HUDSON and DOROTHY MARGARET HUDSON, husband and wife

hereinafter called the vendee.

WITNESSETH

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

Lot 1, Block 2, WEST HILLS HOMES.

SUBJECT TO: Regulations, including levies, liens and utility assessments of the City of Klamath Falls; Conditions, Restrictions as shown on the recorded plat of West Hills Homes; Declaration of Conditions and Restrictions, but omitting restrictions based on race, color, religion or national origin appearing of record, recorded in Book 329 at page 91; Easements and rights of way of record and those apparent on the land, if any; and to two Mortgages to the State of Oregon, represented and acting by the Director of Veterans' Affairs, recorded Sept. 27, 1976 in Book M76 at page 15168, and recorded Feb. 1, 1979 in Book M79 at page 2640, which said Mortgages vendees DO NOT assume, and vendors covenant and agree to hold them harmless therefrom; Vendors covenant to make the monthly payments to the State of Oregon, represented and acting by the Director of Veterans' Affairs, and to furnish furnish proof of payment thereof to the Vendees.

at and for a price of \$ 65,000.00

payable as follows, to-wit:

\$ -0-

of this agreement, the VendorS shall pay to the vendeeS \$ 65,000.00 at the time of the execution per annum from July 1, 1989 with interest at the rate of 10 % month, inclusive of interest, the first installment to be paid on the 1st day of August 1989, and a further installment on the 1st day of every month thereafter until the full balance and interest are paid. Vendors shall pay the real property taxes in November of each year, and the amount thereof shall be added to the contract balance to draw interest at 10% per annum. On June 1 of each year, the vendees shall pay to the vendors the amount of the real property taxes paid by the vendors the prior November, plus interest at the rate of 10% per annum. The amount shall be paid in addition to the regular monthly payment.

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 16312 NE Tillamook Court, Portland, Or. 97230

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 vendee, copy to vendor

and agrees not to suffer or permit any part of said property to become subject to any taxes, 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 immediately

Vendor will on the execution hereof make a fee simple title to said property free and clear

set forth, which the vendees hold the vendees harmless

full balance of the contract

of vendee good and sufficient warranty deed conveying a all incumbrances whatsoever, except those above

the mortgages which vendors agree to

the deed to the vendees when the

est is paid in full

which vendeeS assume, and will place said deed

with one of the vendees in care of the

and shall enter into written escrow instructions 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 re-vest 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.

NOTE: 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 persons 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.

Melvin Warden Hurst
Anne Margaret Hurst

James C. Upton
Doris B. Upton

STATE OF OREGON

County of Multnomah

as

C-28, 1989

Personally appeared the above named James C. Upton and Doris B. Upton

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

Before me:

[Signature]
Notary Public for Oregon

My commission expires 8/09/91

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

Taxes to be returned to:
Mr. & Mrs. James C. Upton
16321 N.E. Tillamook Ct.
Portland, OR 97230

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

State of Oregon, County of _____
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.

Witness My Hand and Seal of County Affixed.

County Clerk - Recorder

By

Deputy

STATE OF OREGON,

County of Klamath

} ss.

BE IT REMEMBERED, That on this 5th day of July, 1989,
before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within
named MICHAEL WARREN HUDSON and DOROTHY MARGARET HUDSON

known to me to be the identical individuals described in and who executed the within instrument and
acknowledged to me that they executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year last above written.

Harlene D. Addington
Notary Public for Oregon.
My Commission expires 3-22-93

GENERAL ACKNOWLEDGMENT
Form No. 0-16

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title Co. the 6th day
of July A.D., 19 89 at 11:12 o'clock A.M., and duly recorded in Vol. M89
of Deeds on Page 12158

FEE \$18.00

Evelyn Biehn County Clerk

By *Dorlene M. Anderson*