

CONTRACT TO SELL REAL PROPERTY

THIS CONTRACT, by and between JAMES E. and LORI R. BAILEY, hereinafter called Sellers, and JOHN and LINDA MONTGOMERY, hereinafter called Buyers,

In consideration of the agreements herein contained and the payments to be paid by Buyers to Sellers, Buyers hereby agree to purchase from Sellers the following described real property, situated in the County of Klamath, State of Oregon, to-wit: upon the following terms and conditions:

All of Lots 5, 6, 7, and 8 in Block "E" Railroad Addition to the City of Malin, Oregon, less the North 75 feet as conveyed to David C. Gregg and Margery S. Gregg by deed recorded in Book 223 at page 78, Klamath County Deed Records, according to official plat thereof on file in the office of the County Clerk of Klamath Falls, Oregon.

The parcel of land is situated in Section 24, Township 41 South, Range 12 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

Purchase Price: Buyers shall pay as the purchase price of said property the sum of \$25,000.00 lawful money of the United States, as follows: \$17,000.00 upon execution of this agreement, receipt whereof is hereby acknowledged, leaving a balance of \$8000.00 which shall be paid in monthly payments of \$300.00 with interest included in said payment at the rate of nine (9) percent per annum., until contract balance is paid in full. Said interest to begin on the 1st day of August, 1989. The first payment in the sum of \$300.00 shall be due and payable on the 5th day of September, 1989 and a like payment each month until the purchase price has been paid in full. All or any portion of said purchase price may be paid at any time.

Taxes: Buyers shall pay the 1989/1990 real property taxes.

Possession: Buyers shall be entitled to possession of the premises on or before 7-28-89, and may retain such possession so long as Buyers are not in default under the terms of this contract.

Premises: Buyers agree to keep the buildings on said premises, now or hereafter erected, in good condition and repair and will not suffer or permit any waste or strip thereof; that Buyers will keep said premises free from mechanics liens and all other liens and save the Sellers harmless therefrom and reimburse Sellers for all costs and attorneys fees incurred by Sellers in defending against any such liens; that Buyers will pay all taxes hereafter levied against such property, as well as all water rents, public charges and municipal liens which hereafter

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lawfully may be imposed upon said premises, all promptly before the same or any part thereof becomes past due. If the Buyers shall fail to pay any such liens, costs and water rents, taxes or charges, Sellers may do so and any payment so made shall be added to and become a part of the debt secured by this contract and shall bear interest at the rate of nine (9) percent per annum without waiver, however, of any rights arising to the Sellers for Buyer's breach of contract.

Insurance: Buyers agree that Buyers will insure and keep insured all buildings and other improvements now or hereafter on said premises against loss or damage by fire, with extended coverage, in an amount equal to the insurable value of said premises in a company or companies satisfactory to the Sellers with loss payable first to the Sellers, then to the Buyers, as their respective interests may appear. A copy of the policy shall be held by Sellers until such time as this contract has been paid in full.

Deed: Sellers agree that when said purchase price is fully paid, Sellers will deliver a good and sufficient deed conveying said premises in fee simple unto the Buyers, Buyer's heirs and assigns, free and clear of encumbrances (except those noted in the description of the real property described above), and free and clear of all encumbrances since that date placed, permitted or arising by, through or under Sellers; excepting, however, all easements, restrictions, taxes, municipal liens, water rents and public charges as assumed by the Buyers and further excepting all liens and encumbrances created by the Buyers or Buyer's assigns.

Defaults: It is understood and agreed between the parties that time is of the essence of this contract and in case the Buyers fail to make the payments above required, or any of them, punctually within thirty (30) days of the time limited therefor, or Buyers fail to correct and other deficiency in performance within thirty (30) days from notice from Sellers specifying such deficiency, or fail to keep any agreement herein contained, then Sellers at Seller's option shall have the following rights:

- A. To declare the whole unpaid principal balance of said purchase price with the interest thereon at once due and payable; and/or,
- B. To foreclose this contract by suit in equity; and/or,
- C. Specifically enforce the terms of this contract by suit in equity.

The remedies provided above shall be non-exclusive and in addition to any other remedies provided by law.

Waiver: Buyers agree that failure by the Sellers at any time to require performance by Buyers of any provision hereof shall in no way affect Seller's right hereunder to enforce the same, nor shall any waiver by the Sellers 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.

Attorneys Fees: In the event that suit or action be instituted by either party to enforce any rights under this contract, or for any matter in any way arising out of this contract, including appeals to appellate courts, it is agreed that the prevailing party in such suit or action shall recover in addition to costs and disbursements, such further sums as to the court may be deemed reasonable as attorneys fees.

Assignment: Buyers shall not assign Buyer's interest in this agreement without the express written consent of Sellers. Sellers agree that Sellers will not unreasonably withhold such consent. Sellers shall have the right to assign Seller's interest in this agreement subject to the rights of the Buyers.

Succesors and Assigns: All rights, remedies and liabilities herein given to or imposed upon either or the parties hereto shall extend to and insure to the benefit of and bind, as the circumstances may require, the heirs, personal representatives, successors and so far as this contract is assignable by the terms hereof, to the assigns of such parties.

Severability: Should any part, term or provision of this contract be by the courts decided to be illegal, unconstitutional or in conflict with any law of the State of Oregon, the validity of the remaining portions or provisions of this contract shall not be affected thereby.

Inspection and Limitation or Representation: The sellers make no warranties as to the condition or use of the real property all of which is sold on an "as is" "where as" basis. Buyers agree that full inspection of the described premises has been made by Buyers and neither the Sellers or any persons representing the Sellers have made any representations or warranties respecting the property of the condition of the improvements or repairs. Buyers agree that Buyers are fully satisfied with the property herein agreed to be sold as Buyers find it. This agreement is the entire agreement of the parties and supersedes all prior negotiations and agreements.

Grammatical Changes: In construing this contract, it is understood that the Seller or Buyer may be more than one person; that as 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 the individuals.

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SELLERS:

James A. Baley
James A. Baley
 STATE OF OREGON

County of Klamath

BUYERS:

Johnny Montgomery
Johnny Montgomery

Before me this 28 day of July, 1989, personally appeared the above-named Sellers, and acknowledged the foregoing instrument to be their voluntary act and deed.

John T. McCullough
 Notary Public for Oregon

My Commission Expires: 3-20-1992

STATE OF OREGON

County of Klamath

Before me this 28 day of July, 1989, personally appeared the above-named Buyers, and acknowledged the foregoing instrument to be their voluntary act and deed.

John T. McCullough
 Notary Public for Oregon

My Commission Expires: 3-20-1992

Return: James Baley
 P.O. Box 176
 Malin, Or. 97632

STATE OF OREGON,
 County of Klamath ss.

Filed for record at request of:

James Baley

on this 31st day of July A.D., 19 89
 at 12:04 o'clock P.M. and duly recorded
 in Vol. M89 of Deeds Page 13964

Evelyn Biehn

County Clerk

By

Caroline M. Nelson

Deputy

Fee, \$23.00