

MTC 45180-KR

Sellers Name and Address: Ruby V. Harmon and Jacklyn L. Thorp
3005 Shasta Way, Klamath Falls, OR 97603

Buyers Name and Address: Donald R. and Susan E. Gruener, 5875 Basin View
Drive., Klamath Falls, Oregon 97603

After Recording Return to: AmeriTitle, 222 South 6th St., Klamath Falls,
Oregon 97601

Until Change is Requested
 Send Tax Statements to: Donald R. and Susan E. Gruener, 5875 Basin View
Drive., Klamath Falls, Oregon 97603

The true and actual
 consideration stated in this
 instrument is: \$ 60,000.00 .

LAND SALE CONTRACT

THIS CONTRACT is made and entered into this 17th day of July, 1998, by and between RUBY V. HARMON and JACKLYN L. THORP, with right of survivorship, hereinafter called "Seller", and DONALD R. GRUENER and SUSAN E. GRUENER, 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 Buyer and Buyer agrees to buy from Seller for the price and on the terms and conditions set forth hereafter all of the real property situate in the County of Klamath, State of Oregon, and more particularly described as follows:

Lot 10 in Block 1 of SUNNYLAND, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

SUBJECT TO contracts and/or liens for irrigation and/or drainage, restrictions, easements, restrictions and rights-of-way of records, and those apparent on the land.

ALSO SUBJECT TO rights of the public in and to any portion of the herein described property line within the boundaries of roads or highways.

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, AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

98 JUL 17 P3:31

It is mutually agreed as follows:

1. Possession: Buyer shall be entitled to possession of the property as August 1, 1998.
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 Buyer's 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 for the current year shall be prorated as of the date hereof, 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 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 proper receipt therefor.
4. Insurance: It is agreed that Buyer will keep any building or improvements on said property insured against loss or damage by fire or other casualty in an amount of not less than the full insurable value thereof with loss payable to 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.
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 hereinabove, which said deed shall be held by Seller and when, and if, Buyer shall have paid the balance of the purchase price in accordance with the terms and provisions of this contract, said deed shall be delivered to Buyer.

7. Tax Payment Procedures: Until a change is requested, all tax statements shall be sent to the address designated by Buyer. Buyer shall be required to pay the same and provide proof of such payment to Seller before the same shall become past due or delinquent.

8. Consent to Assignment: Buyer may assign this agreement, Buyer's rights thereunder, or in the property covered thereby at any time.

9. Time of Essence: It is understood and agreed between the parties that time is of the essence of this contract.

10. Default: In case Buyer shall fail to make the payments aforesaid, or make 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 Seller, shall, at his option, have the following rights, in addition to other remedies provided under Oregon law:

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 Buyer as against Seller hereunder shall utterly cease and determine, and the right to the possession of the premises above described and all other rights acquired by Buyer hereunder shall revert to and revest in 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 moneys 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. 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.

11. 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 Seller's security interest herein, and in the event possession is so taken by Seller, Seller shall not be deemed to have waived Seller's right to exercise any of the foregoing rights.

12. 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.

13. No Waiver: Buyer further agrees that failure by Seller at any time to require performance by Buyer of any provision thereof 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.

14. Binding on Successors: This agreement shall bind and inure 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.

15. Purchase Price and Payments: The purchase price for the interest conveyed is the sum of **Sixty Thousand Dollars (\$60,000.00)** payable as follows:

(a) Buyer shall pay an initial payment in the sum of **Twenty Thousand Dollars (\$20,000.00)**; and

(b) The remainder of the purchase price in the amount of **Forty Thousand Dollars (\$40,000.00)** shall be payable in monthly installments of **Four Hundred Twenty Four and Twenty Six Hundredths Dollars (\$424.26)** per month including interest at the rate of Five percent (5.0%) per annum on the unpaid balance; the first of such payments shall be payable on the 15th day of August, 1998, with a further and like installment payable on the 15th day of each and every month thereafter until the full amount of principal and interest shall have been paid in full or July 15, 2008, whichever event or date shall first occur. Buyer may make advance or excess payments without penalty, and if so made, such payments shall be applied toward account interest, and the remainder will be applied toward the principal balance. No partial prepayment shall excuse the payment of installments next coming due.

16. Inclusion of Personal Property: It is agreed between Buyer and Seller that the property conveyed by the within Land Sale Contract includes those certain furnishings and household items as follows:

- window coverings
- 1 washer / dryer combination appliance
- 1 electric range
- 1 refrigerator
- 1 portable dishwasher
- 1 white hutch cabinet
- 1 white 2 door storage cabinet
- 1 twin bed with head cabinet and mattress
- 1 "old" walnut 4 drawer dresser with mirror

which said personal property items constitute an inclusion within the real property conveyed by the within instrument. Buyer and Seller agree that, in view of the substantial down payment, Seller shall receive title to the said personal property items at closing.

17. Representation By Attorney: The parties hereto acknowledge that this contract was prepared by NEAL G. BUCHANAN, Attorney at Law, 435 Oak Avenue, Klamath Falls, Oregon 97601, solely on behalf of the Buyer / Vendee and that said attorney in

no way represents the Seller / Vendor, who has been advised to seek the advice of her independent counsel and tax advisor.

IN WITNESS WHEREOF the parties have caused this agreement to be executed as of the day and year first above written.

SELLER:

BUYER:

Ruby V. Harmon
RUBY V. HARMON

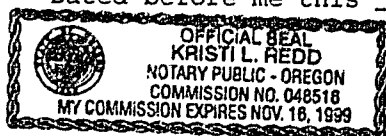
Donald R. Gruener
DONALD R. GRUENER

Jacklyn L. Thorp
JACKLYN L. THORP

Susan E. Gruener
SUSAN E. GRUENER

STATE OF OREGON, County of Klamath) ss.

PERSONALLY APPEARED the above-named
DONALD R. GRUENER & SUSAN E. GRUENER
and acknowledged the foregoing instrument to be their
voluntary act(s) and deed(s)
Dated before me this 17th day of July, 1998.



Kristi L. Redd
NOTARY PUBLIC FOR OREGON
My Commission Expires: 11/16/99

STATE OF OREGON, County of Klamath) ss.

PERSONALLY APPEARED the above-named RUBY V. HARMON & JACKLYN L. THORP
and acknowledged the foregoing instrument to be their
voluntary act(s) and deed(s).
Dated before me this 17th day of July, 1998.



Kristi L. Redd
NOTARY PUBLIC FOR OREGON

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Amerititle the 17th day
of July A.D., 19 98 at 3:31 o'clock P M., and duly recorded in Vol. M98
of Deeds on Page 26196.

FEE \$55.00

By Bernetha G. Leisch County Clerk
Kathleen Roes