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Vol M01 Page 11362

Vendors Name and Address: Trustees of the Hosp Loving Trust
6748 Eberlein, Klamath Falls, OR 97601

Vendees Name and Address: Gary Lazelle Whisler, Jr. and Lizabeth Marche Whisler

After Recording Return to: AMERITITLE 222 SOUTH SIXTH ST. KLAMATH FALLS, OR 97601

Until Change is Requested, Send Tax Statements to: Trustees of the Hosp
Loving Trust, 6748 Eberlein, Klamath Falls, OR 97601

The true and actual consideration stated in this instrument is
\$115,000.00.

mtc S3436-LW
LAND SALE CONTRACT

THIS CONTRACT is made and entered into this 21 day of March, 2001, by and between STEVEN P. HOSP and SALLY J. HOSP, TRUSTEES OF THE HOSP LOVING TRUST, hereinafter called "Seller", and GARY LAZELLE WHISLER, JR. AND LIZABETH MARCHE WHISLER, 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 27 of MOYINA, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon;

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.

It is mutually agreed as follows:

1. **Possession:** Buyer shall be entitled to possession of the property as of the date of closing of this transaction.

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 assessments, liens, and encumbrances of whatsoever kind affecting said property after this date; provided, all such assessments and charges for the current year shall be prorated as of the date hereof,

PROVIDED, HOWEVER, that the agreement of the parties with reference to payment of real property taxes is as follows:

a. Seller shall pay real property taxes assessed (in the first instance) as the same may become due; and

b. Seller shall provide proof of such payment to the escrow agent referred to hereinafter; and

c. The said collection escrow agent shall be and is empowered to add the amount of such real property taxes paid to the unpaid balance payable pursuant to the within Contract; and

d. Such amounts may be reimbursed by Buyers (by payment through the said collection escrow) at any time without prepayment penalty.

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, earthquake 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 real property free and clear of all liens and encumbrances, except as provided hereinabove and shall place said documents, together with one of these agreements, in escrow at AmeriTitle, 222 South 6th Street, Klamath Falls, Oregon and shall enter into written escrow instructions in a form satisfactory to said escrow holder and the parties hereto, instructing 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. Pursuant to the provisions of the foregoing "addback" provisions of paragraph 3, Seller is to pay the same

8. **Property Taken "As Is":** Buyer certifies that this contract of purchase is accepted and executed on the basis of Buyer's own examination and personal knowledge of the premises and opinion of the value thereof; that Buyer has made a personal inspection of the property so as to determine its acceptability, that no attempt has been made to influence Buyer's 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, with no express, implied, or other warranties by Seller.

9. **Consent to Assignment:** Buyer shall not assign this agreement, Buyer's rights thereunder, or in the property covered thereby without the written consent of Seller. Such consent shall not be unreasonably withheld. 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 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 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 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 Seller's 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.

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 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.

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 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.

15. 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.

16. Purchase Price and Payments: The purchase price for the interest conveyed is the sum of **ONE HUNDRED FIFTEEN Thousand and no hundredths Dollars (\$115,000.00)**, which shall accrue interest at the rate of **EIGHT percent (8.0%)** per annum from the date hereof, and be payable as follows:

a. Buyer shall be required to pay monthly payments in the sum of **\$600.00 or more**, the first of such payments to be due and payable the 15th day of March, 2001, with a further and like payment due the 15th day of each month thereafter for a period of twenty four (24) months, such payment then increasing to the sum of

b. **\$900.00 or more** beginning March 15, 2003 with a further and like payment due the 15th day of each month thereafter until the entire balance, including principal and interest has been paid in full. If not earlier paid in full, the entire balance, including principal and interest **SHALL BE FULLY DUE AND PAYABLE ON OR BEFORE THE 15TH DAY OF MARCH 2031;** and

c. In addition to the required payment of principal and interest, Buyer shall be required to pay the monthly collection fee / check disbursement fee charged by the collection escrow agent.

17. **Inclusion of Personal Property:** It is agreed between Buyer and Seller that the property conveyed by and secured by the within Land Sale Contract includes personal property including the following:

range, oven, refrigerator, dishwasher,
garbage disposal, washer and dryer

Such personal property is sold "AS IS, WITH ALL FAULTS."

18. **Unpaid Balance:** It is understood by and between the parties that the payment provisions provided for herein will result in the unpaid balance secured by this agreement increasing for each year that payments are made by purchasers only in the minimum amounts provided for hereby. It is thus the expectation of the parties that payments in addition to the minimum amounts provided for hereby will be made by Buyers.

19. **Late Payment Penalty:** In addition to any other remedy afforded Seller herein, Seller shall be entitled to receive payment in the amount of **Five Percent (5%)** of the monthly payment due, in addition to the regularly scheduled payments set forth in paragraph 16 hereinabove as and for a late payment penalty, should Buyer fail to make any payment required to be made hereunder within fifteen (15) days of the day due. Seller shall be required to notify both Buyer and the escrow agent named herein (or its successor) of the accrual of such late payment charge, which such charge shall be credited by such escrow agent only as an additional charge to Buyer and not as a credit to either interest or principal. The addition of such Late Payment Penalty to the unpaid balance by Seller shall be without waiver of Seller's right to declare default with reference to the within contract.

20. **Additional Security:** As additional security for payment of the sums required to be paid by Buyer, the parties agree that Buyer shall designate Seller as beneficiaries on such portion of that certain life insurance policy described hereinbelow as is required to pay the full unpaid balance owing pursuant to the provisions hereof. Such beneficiary designation shall be irrevocable for so long as sums are owed pursuant to the terms and provisions hereof. The said life insurance policy is described as follows:

GARY L. Whisler JR
Policy #: 730158958P
Face Amount: 150,000

LIZABETH M. Whisler
Policy #: 730158958R
Face Amount: 100,000

21 Representation By Counsel: The parties understand and agree that this contract was prepared by Neal G. Buchanan, Attorney, solely as attorney for Seller. Buyer has been advised to seek the counsel of Buyer's independent counsel with reference to the within transaction and contract.

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

SELLER:
TRUSTEES OF THE HOSP LOVING TRUST

by Steven P. Hosp
STEVEN P. HOSP

TRUSTEE

by Sally J. Hosp Trustee
SALLY J. HOSP

BUYER:

Gary Lazelle Whisler, Jr.
GARY LAZELLE WHISLER, JR.

STATE OF OREGON, County of Klamath) ss.

Lizabeth Marche Whisler
LIZABETH MARCHE WHISLER

PERSONALLY APPEARED the above-named STEVEN P. HOSP AND SALLY J. HOSP, TRUSTEES OF THE HOSP LOVING TRUST, and acknowledged the foregoing instrument to be their voluntary act and deed.

Dated before me this 21 day of March, 2001.

Lisa Weatherby
NOTARY PUBLIC FOR OREGON

STATE OF Oregon, County of Klamath) ss.

PERSONALLY APPEARED the above-named GARY LAZELLE WHISLER, JR. and LIZABETH MARCHE WHISLER and acknowledged the foregoing instrument to be their voluntary act and deed.

Dated before me this 21 day of March, 2001.

Lisa Weatherby
NOTARY PUBLIC FOR OREGON



State of Oregon, County of Klamath
Recorded 03/21/01, at 3:14p m.
In Vol. M01 Page 11362
Linda Smith,
County Clerk Fee \$ 51.00