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State of Oregon, County of Klamath

Recorded 08/29/2002 8:13 m.

Vol M02, Pg 48947-50

Linda Smith, County Clerk

Fee \$ 36.00 # of Pgs 4

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LF120-04  
R120-04

## AGREEMENT TO SELL REAL ESTATE

pr: Russell W. Geddes Sr. and Terra E. Geddes, husband and wife,  
of 556 Mitchell Street, Falls City, OR 97344 as Seller,  
and Jeremy T. Dudley and Charlotte A. Dudley, husband and wife,  
of 12527 Alderwood Drive, LaPine, OR 97339 as Buyer,  
hereby agree that the Seller shall sell and the Buyer shall buy the following described property UPON THE TERMS  
AND CONDITIONS HEREINAFTER SET FORTH, within this contract.

1. LEGAL DESCRIPTION of real estate located in Klamath County,  
State of Oregon:  
Lot 13 in Block 11, Sun Forest Estates, Tract 1060, according  
to the official plat thereof on file in the office of the  
County Clerk of Klamath County, Oregon.  
MAP: R-2310-03600-09300-000  
Tax Account NO: R142170

2. PURCHASE PRICE Eighty one thousand nine hundred Dollars.  
\$81,900.00  
Method of Payment: monthly payments of \$650.00 per month beginning  
August 1, 2002

(a) Deposit to be held in trust by \$ N/A

(b) Approximate principal balance of first mortgage to which conveyance shall be  
subject, if any, Mortgage holder: Russell W. Geddes, Sr. and Terra E. Geddes \$78,200.00 Principal  
Interest (eight) 8% per annum: Balance

(c) Other: Accrual of \$1,200.00 per lease-option  
agreement, plus \$500.00 security deposit \$1,700.00

(d) Cash, certified or local cashier's check on closing and delivery of deed (or such  
greater or lesser amount as may be necessary to complete payment of purchase  
price after credits, adjustments and prorations). Cashier's Check \$2,000.00

3. PRORATIONS: Taxes, insurance, interest, rents and other expenses and revenue of said property shall be prorated  
as of the date of closing.

4. RESTRICTIONS, EASEMENTS, LIMITATIONS: Buyer shall take title subject to: (a) Zoning, restrictions,  
prohibitions and requirements imposed by governmental authority, (b) Restrictions and matters appearing on the plat  
or common to the subdivision, (c) Public utility easements of record, provided said easements are located on the side  
or rear lines of the property, (d) Taxes for year of closing, assumed mortgages, and purchase money mortgages, if  
any, (e) Other:

Seller warrants that there shall be no violations of building or zoning codes at the time of closing.

5. DEFAULT BY BUYER: If Buyer fails to perform any of the covenants of this contract, all money paid pursuant  
to this contract by Buyer as aforesaid shall be retained by or for the account of the Seller as consideration for the  
execution of this contract and as agreed liquidated damages and in full settlement of any claims for damages.

6. DEFAULT BY SELLER: If the Seller fails to perform any of the covenants of this contract, the aforesaid money  
paid by the Buyer, at the option of the Buyer, shall be returned to the Buyer on demand; or the Buyer shall have only  
the right of specific performance.

7. **TERMITE INSPECTION:** At least 15 days before closing, Buyer, at Buyer's expense, shall have the right to obtain a written report from a licensed exterminator stating that there is no evidence of live termite or other wood-boring insect infestation on said property nor substantial damage from prior infestation on said property. If there is such evidence, Seller shall pay up to three (3%) percent of the purchase price for the treatment required to remedy such infestation, including repairing and replacing portions of said improvements which have been damaged; but if the costs for such treatment or repairs exceed three (3%) percent of the purchase price, Buyer may elect to pay such excess. If Buyer elects not to pay, Seller may pay the excess or cancel the contract.
8. **ROOF INSPECTION:** At least 15 days before closing, Buyer, at Buyer's expense, shall have the right to obtain a written report from a licensed roofer stating that the roof is in a watertight condition. In the event repairs are required either to correct leaks or to replace damage to fascia or soffit, Seller shall pay up to three (3%) percent of the purchase price for said repairs which shall be performed by a licensed roofing contractor; but if the costs for such repairs exceed three (3%) percent of the purchase price, Buyer may elect to pay such excess. If Buyer elects not to pay, Seller may pay the excess or cancel the contract.
9. **OTHER INSPECTIONS:** At least 15 days before closing, Buyer or his agent may inspect all appliances, air conditioning and heating systems, electrical systems, plumbing, machinery, sprinklers and pool system included in the sale. Seller shall pay for repairs necessary to place such items in working order at the time of closing. Within 48 hours before closing, Buyer shall be entitled, upon reasonable notice to Seller, to inspect the premises to determine that said items are in working order. All items of personal property included in the sale shall be transferred by Bill of Sale with warranty of title.
10. **LEASES:** Seller, not less than 15 days before closing, shall furnish to Buyer copies of all written leases and estoppel letters from each tenant specifying the nature and duration of the tenant's occupancy, rental rates and advanced rent and security deposits paid by tenant. If Seller is unable to obtain such letters from tenants, Seller shall furnish the same information to Buyer within said time period in the form of a seller's affidavit, and Buyer may contact tenants thereafter to confirm such information. At closing, Seller shall deliver and assign all original leases to Buyer.
11. **MECHANICS LIENS:** Seller shall furnish to Buyer an affidavit that there have been no improvements to the subject property for 90 days immediately preceding the date of closing, and no financing statements, claims of lien or potential lienors known to Seller. If the property has been improved within that time, Seller shall deliver releases or waivers of all mechanics liens as executed by general contractors, subcontractors, suppliers and materialmen, in addition to the seller's lien affidavit, setting forth the names of all general contractors, subcontractors, suppliers and materialmen and reciting that all bills for work to the subject property which could serve as basis for mechanics liens have been paid or will be paid at closing time.
12. **PLACE OF CLOSING:** Closing shall be held at the office of the Seller's attorney or as otherwise agreed upon.
13. **TIME IS OF THE ESSENCE:** Time is of the essence for this Sale and Purchase Agreement.
14. **DOCUMENTS FOR CLOSING:** Seller's attorney shall prepare deed, note, mortgage, Seller's affidavit, any corrective instruments required for perfecting the title, and closing statement and submit copies of same to Buyer's attorney, and copy of closing statement to the broker, at least two days prior to scheduled closing date.
15. **EXPENSES:** State documentary stamps required on the instrument of conveyance and the cost of recording any corrective instruments shall be paid by the Seller. Documentary stamps to be affixed to the note secured by the purchase money mortgage, intangible tax on the mortgage, and the cost of recording the deed and purchasing money mortgage shall be paid by the Buyer.
16. **INSURANCE:** If insurance is to be prorated, the Seller shall on or before the closing date, furnish to Buyer all insurance policies or copies thereof.
17. **RISK OF LOSS:** If the improvements are damaged by fire or casualty before delivery of the deed and can be restored to substantially the same condition as now within a period of 60 days thereafter, Seller shall so restore the improvements and the closing date and date of delivery of possession hereinbefore provided shall be extended accordingly. If Seller fails to do so, the Buyer shall have the option of (1) taking the property as is, together with insurance proceeds, if any, or (2) cancelling the contract, and all deposits shall be forthwith returned to the Buyer and all parties shall be released of any and all obligations and liability.

18. MAINTENANCE: Between the date of the contract and the date of closing, the property, including lawn, shrubbery and pool, if any, shall be maintained by the Seller in the condition as it existed as of the date of the contract, ordinary wear and tear excepted.

19. CLOSING DATE: This contract shall be closed and the deed and possession shall be delivered on or before the (first) 1<sup>st</sup> day of August, 2002, unless extended by other provisions of this contract.

20. TYPEWRITTEN OR HANDWRITTEN PROVISIONS: Typewritten or handwritten provisions inserted in this form shall control all printed provisions in conflict therewith.

21. OTHER AGREEMENTS: No agreements or representations, unless incorporated in this contract, shall be binding upon any of the parties.

22. RADON GAS: As required by law, (Landlord) (Seller) makes the following disclosure: "Radon Gas" is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Oregon. Additional information regarding radon and radon testing may be obtained from your county public health unit.

23. LEAD PAINT: "Every purchaser or lessee of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller or lessor of any interest in residential real estate is required to provide the buyer or lessee with any information on lead-based paint hazards from risk assessments or inspection in the seller or lessor's possession and notify the buyer or lessee of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase."

24. SPECIAL CLAUSES:

Buyers will furnish proof of payment for Taxes and insurance coverage on the property.  
Owners will carry the balance for a maximum of (two) 2 years, until August 1, 2004 at which time the Buyers will obtain financing.  
Buyers are free to obtain financing of the balance at any time.

COMMISSION TO BROKER: The Seller hereby recognizes N/A as the Broker in this transaction, and agrees to pay as commission N/A % of the gross sales price, the sum of Dollars (\$ N/A ) or one-half of the deposit in case same is forfeited by the Buyer through failure to perform, as compensation for services rendered, provided same does not exceed the full amount of the commission.

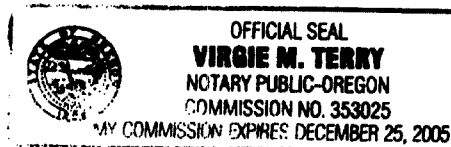
WITNESSED BY:

Virgie M. Terry 8-23-02  
Witness Date

Deborah J. Grigley 8-23-02  
Witness Date

Terrance D. Terry  
Charlita D. Terry 8-15-02  
Buyer Date

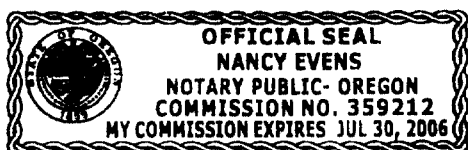
Seller Date  
Russell W. L. Terry 8-23-02  
Terra E. Grigley 8-23-02





State of Oregon  
County of Deschutes

Subscribed and sworn/affirmed to before me this 15<sup>th</sup> day of August,  
2002, by Teramy Dudley & Charlotte A Dudley



Nancy Evens  
Notary Public

My Commission Expires: July 30, 2006

*Attribution Clause: This Jurat Certificate is prepared for, and exclusively belongs to, the accompanying document entitled Agreement to Sell Real Estate, which consists of 2 page(s) and is dated August 15<sup>th</sup> 2002. If this Certificate is appropriated to any document other than the one described herein, it shall be deemed null and void.*