

04 SEP 15 PM 3:25

Vol M04 Page 61753

Recording Requested By:
Aspen Title & Escrow, Inc.
525 Main Street
Klamath Falls, OR 97601

State of Oregon, County of Klamath
Recorded 09/15/04 3:25 P m
Vol M04 Pg 61753-66
Linda Smith, County Clerk
Fee \$ 86.00 # of Pgs 14

When Recorded Return To:

Aspen Title & Escrow, Inc.
525 Main Street
Klamath Falls, OR 97601

Until requested otherwise, send all tax statements:

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

Aspen: 59807MA
COVER SHEET

DOCUMENT: Contract for Deed

GRANTOR: William Westbrook and Margaret A. Westbrook

GRANTEE: Donald G. Cherms, Sr. & Jackie A. Cherms

CONSIDERATION : \$1,000.00

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CONTRACT FOR DEED

THIS DAY this agreement is entered into by and between William Westbrook and Margaret A. Westbrook, hereinafter referred to as "SELLERS", whether one or more, and Donald G. Cherms, Sr. and Jackie A. Cherms, hereinafter referred to as "PURCHASERS", whether one or more, on the terms and conditions and for the purposes hereinafter set forth:

1.

SALE OF PROPERTY


For and in consideration of One Thousand and no/100 (\$1000.00) and other good and valuable considerations the receipt and sufficiency of which is hereby acknowledged, Seller does hereby agree to convey, sell, assign, transfer and set over unto Purchaser, the following property situated in Klamath County, State of Oregon, said property being described as follows: *(Type description or attach description as exhibit "A")*

Residence located at 18413 Freight Road Lane-Klamath Falls, Oregon 97601, further described as Assessor's Parcel # TL 5400-Blk 21 -LOT1. -Klamath River Acres 4th Addition Map ref 39 07 26D

Census Tract 9703- further, see attached Appraisal Report.

Together with all rights of ownership associated with the property, including, but not limited to, all easements and rights benefiting the premises, whether or not such easements and rights are of record, and all tenements, hereditaments, improvements and appurtenances, including all lighting fixtures, plumbing fixtures, shades, venetian blinds, curtain rods, storm windows, storm doors, screens, awnings, if any, and out buildings now on the premises. One Half interest in shared well with neighbor property

SUBJECT TO all recorded easements, rights-of-way, conditions, encumbrances and limitations and to all applicable building and use restrictions,

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zoning laws and ordinances, if any, affecting the property.

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2.

PURCHASE PRICE AND TERMS

The purchase price of the property shall be \$ Ninety five thousand and no /100 Dollars (\$95,000.00). The purchaser does hereby agree to pay to the order of the Seller the sum of \$ Fifty thousand and no/100 Dollars (\$50,000.00) upon execution of this agreement, with the balance of \$45,000.00 being due and payable as follows:


Balance payable, together with interest on the whole sum that shall be from time to time unpaid at the rate of (7%), seven per cent, per annum, payable in the amount of Five hundred twenty five and no/100 dollars per month beginning on the 15th day of October, 2004, and continuing on the same day of each month thereafter until the 15th day of September, 2009, when all remaining principal and interest shall be paid. (Balloon payment) in the amount of the balance then due.

If interest is charged, interest shall be computed monthly and deducted from payment and the balance of payment shall be applied on principal.

3.

TIME OF THE ESSENCE

Time is of the essence in the performance of each and every term and provision in this agreement by Purchaser.

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4.

SECURITY

This contract shall stand as security of the payment of the obligations of Purchaser.

5.

MAINTENANCE OF IMPROVEMENTS

All improvements on the property, including, but not limited to, buildings, trees or other improvements now on the premises, or hereafter made or placed thereon, shall be a part of the security for the performance of this contract and shall not be removed there from. Purchaser shall not commit, or suffer any other person to commit, any waste or damage to said premises or the appurtenances and shall keep the premises and all improvements in as good condition as they are now.

6.

CONDITION OF IMPROVEMENTS

Purchaser agrees that the Seller has not made, nor makes any representations or warranties as to the condition of the premises, the condition of the buildings, appurtenances and fixtures locate thereon, and/or the location of the boundaries. Purchaser accepts the property in its "as-is" condition without warranty of any kind.

7.

POSSESSION OF PROPERTY

Purchaser shall take possession of the property and all improvements thereon upon execution of this contract and shall continue in the peaceful enjoyment of the property so long as all payments due under the terms of this contract are timely made. Purchaser agrees to keep the property in a good state of repair and in the event of termination of this contract, Purchaser agrees to return the property to Seller in substantially the same condition as it now exists, ordinary wear and tear excepted. Seller reserves the right to inspect the property at any time with at least 24 hours notice to Purchaser.

8.

TAXES, INSURANCE AND ASSESSMENTS

Taxes and Assessments: During the term of this contract:

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[Signature]

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Seller shall pay all taxes and assessments levied against the property. In the event that Seller pays the taxes Purchaser shall reimburse Seller for same upon 30 days notice to purchaser.

Content Insurance: Purchaser shall be solely responsible for obtaining insurance of the contents, insuring contents owned by Purchaser. Seller shall be solely responsible for obtaining insurance on all contents owned by Seller.

Liability and Hazard Insurance: Liability insurance shall be maintained by Purchaser during the term of this contract naming Seller as an additional insured, in the amount of not less than \$95,000.00.

Fire, Hazard and Windstorm insurance: Fire, hazard and windstorm insurance shall be maintained as follows:

Seller shall obtain and pay for hazard, fire and windstorm insurance in an amount not less than his mortgage balance amount. In the event Seller elects this option, Purchaser has elected to provide additional insurance at his own cost to protect his interest.

In case of any damage as a result of which said insurance proceeds are available, the Purchaser may, within sixty (60) days of said loss or damage, give to the Seller written notice of Purchaser's election to repair or rebuild the damaged parts of the premises, in which event said insurance proceeds shall be used for such purpose. The balance of said proceeds, if any, which remain after completion of said repairing or rebuilding, or all of said insurance proceeds if the Purchaser elects not to repair or rebuild, shall be applied first toward the satisfaction of any existing defaults under the terms of this contract, and then as a prepayment upon the principal balance owing. No such prepayment shall defer the time for payment of any remaining payments required by said contract. Any surplus of said proceeds in excess of the balance owing hereon shall be paid to the Purchaser.

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9.
DEFAULT

If the Purchaser shall fail to perform any of the covenants or conditions contained in this contract on or before the date on which the performance is required, the Seller shall give Purchaser notice of default or performance, stating the Purchaser is allowed fourteen (14) days from the date of the Notice to cure the default or performance. In the event the default or failure of performance is not cured within the 14 day time period, then Seller shall have any of the following remedies, in the discretion of Seller:

- (a) give the Purchaser a written notice specifying the failure to cure the default and informing the Purchaser that if the default continues for a period of an additional fifteen (15) days after service of the notice of failure to cure, that without further notice, this contract shall stand cancelled and Seller may regain possession of the property as provided herein; or
- (b) give the Purchaser a written notice specifying the failure to cure the default and informing the Purchaser that if the default continues for a period of an additional fifteen (15) days after service of the notice of failure to cure, that without further notice, the entire principal balance and unpaid interest shall be immediately due and payable and Seller may take appropriate action against Purchaser for collection of same according to the laws of the State of Oregon.

In the event of default in any of the terms and conditions or installments due and payable under the terms of this contract and Seller elects 9(a), Seller shall be entitled to immediate possession of the property.

In the event of default and termination of the contract by Seller, Purchaser shall forfeit any and all payments made under the terms of this contract including taxes and assessments as liquidated damages, Seller shall be entitled to recover such other damages as they may be due which are caused by the acts or negligence of Purchaser.

The parties expressly agree that in the event of default not cured by the Purchaser and termination of this agreement, and Purchaser fails to vacate the premises, Seller shall have the right to obtain possession by appropriate court action.

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10.

DEED AND EVIDENCE OF TITLE

Upon total payment of the purchase price and any and all late charges, and other amounts due Seller, Seller agrees to deliver to Purchaser a Warranty Deed to the subject property, at Seller's expense, free and clear of any liens or encumbrances other than taxes and assessments for the current year.

11.

NOTICES

All notices required hereunder shall be deemed to have been made when deposited in the U. S. Mail, postage prepaid, certified, return receipt requested, to the Purchaser or Seller at the addresses listed below. All notices required hereunder may be sent to:

Seller:

William Westbrook

Margaret A. Westbrook

Write in address:----- 2401 80th. Ave. S.E. Norman, OK. 73026

Purchaser:

Donald G. Cherms, Sr.

Jackie A. Cherms


Write in address:----- P.O. Box 360 Keno, OR. 97627

and when mailed, postage prepaid, to said address, shall be binding and conclusively presumed to be served upon said parties respectively.

12.

ASSIGNMENT OR SALE

Purchaser shall not sell, assign, transfer or convey any interest in the subject property or this agreement, without first securing the written consent of the Seller.

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13.
PREPAYMENT

Purchaser to have the right to prepay, without penalty, the whole or any part of the balance remaining unpaid on this contract at any time before the due date.

14.
ATTORNEY FEES

In the event of default, Purchaser shall pay to Seller, Seller's reasonable and actual attorneys' fees and expenses incurred by Seller in enforcement of any rights of Seller. All attorney fees shall be payable prior to Purchaser's being deemed to have corrected any such default.

15.
LATE PAYMENT CHARGES

If Purchaser shall fail to pay, within fifteen (15) days after due date, any installment due hereunder, Purchaser shall be required to pay an additional charge of five (5%) percent of the late installment. Such charge shall be paid to Seller at the time of payment of the past due installment.

16.
CONVEYANCE OR MORTGAGE BY SELLER

If the Seller's interest is now or hereafter encumbered by mortgage, the Seller covenants that Seller will meet the payments of principal and interest thereon as they mature and produce evidence thereof to the Purchaser upon demand. In the event the Seller shall default upon any such mortgage or land contract, the Purchaser shall have the right to do the acts or make the payments necessary to cure such default and shall be reimbursed for so doing by receiving, automatically, credit to this contract to apply on the payments due or to become due hereon.

The Seller reserves the right to convey, his or her interest in the above described land and such conveyance hereof shall not be a cause for rescission but such conveyance shall be subject to the terms of this agreement.

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The Seller may, during the lifetime of this contract, place a mortgage on the premises above described, which shall be a lien on the premises, superior to the rights of the Purchaser herein, or may continue and renew any existing mortgage thereon, provided that the aggregate amount due on all outstanding mortgages shall not at any time be greater than the unpaid balance of the contract.

17.
ENTIRE AGREEMENT

This Agreement embodies and constitutes the entire understanding between the parties with respect to the transactions contemplated herein. All prior or contemporaneous agreements, understandings, representations, oral or written, are merged into this Agreement.

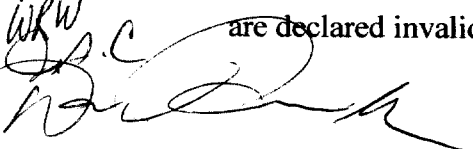
18.
AMENDMENT – WAIVERS

This Agreement shall not be modified, or amended except by an instrument in writing signed by all parties.

No delay or failure on the part of any party hereto in exercising any right, power or privilege under this Agreement or under any other documents furnished in connection with or pursuant to this Agreement shall impair any such right, power or privilege or be construed as a waiver of any default or any acquiescence therein. No single or partial exercise of any such right, power or privilege shall preclude the further exercise of such right, power or privilege, or the exercise of any other right, power or privilege. No waiver shall be valid against any party hereto unless made in writing and signed by the party against whom enforcement of such waiver is sought and then only to the extent expressly specified therein.

19.
SEVERABILITY

If any one or more of the provisions contained in this Agreement shall be held illegal or unenforceable by a court, no other provisions shall be affected by this holding. The parties intend that in the event one or more provisions of this agreement are declared invalid or unenforceable, the remaining provisions shall remain

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enforceable and this agreement shall be interpreted by a Court in favor of survival of all remaining provisions.

20.
HEADINGS

Section headings contained in this Agreement are inserted for convenience of reference only, shall not be deemed to be a part of this Agreement for any purpose, and shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof.

21.
PRONOUNS

All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular, or plural, as the identity of the person or entity may require. As used in this agreement: (1) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender, (2) words in the singular shall mean and include the plural and vice versa, and (3) the word "may" gives sole discretion without any obligation to take any action.

22.
JOINT AND SEVERAL LIABILITY

All Purchasers, if more than one, covenants and agrees that their obligations and liability shall be joint and several.

23.
PURCHASER'S RIGHT TO REINSTATE AFTER ACCELERATION

If Purchaser defaults and the loan is accelerated, then Purchaser shall have the right of reinstatement as allowed under the laws of the State of Oregon, provided that Purchaser: (a) pays Lender all sums which then would be due under this agreement as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; and (c) pays all expenses incurred in enforcing this agreement, including, but not limited to, reasonable attorneys' fees, and other fees incurred for the purpose of protecting Seller's interest in the Property and rights under this agreement. Seller may require that Purchaser pay such reinstatement sums and expenses in one or more of the following forms, as selected by Seller: (a) cash, (b) money order, (c) certified

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[Signature]

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STATE OF OREGON

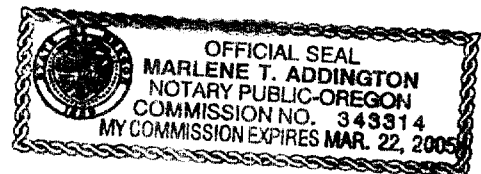
COUNTY OF Klamath

This instrument was acknowledged before me on September 15, 2004
 (date) by _____ (name of person(s)) by William R. Westbrook and
Margaret A. Westbrook.

Notary Public

Marlene T. Addington
 Printed Name: _____

My Commission expires:

3-22-2005

STATE OF OREGON

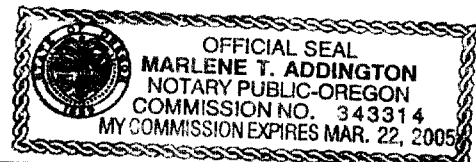
COUNTY OF Klamath

This instrument was acknowledged before me on September 15, 2004.
 (date) by _____ (name of person(s)) by Donald G. Cherms, Sr. and
Tachie A. Cherms-

Notary Public

Marlene T. Addington
 Printed Name: _____

My Commission expires:

3-22-2005

Seller(s) Name and Address	Buyer(s) Name and Address
Name:	Name:
Address:	Address:
City:	City:
State: Zip:	State: Zip:
Phone:	Phone:

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EXHIBIT "A"

Lot 1, Block 21, Tract 1005, FOURTH ADDITION TO KLAMATH RIVER ACRES, according to the official plat thereof on file in the office of the Clerk of Klamath County, Oregon.

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forms, as selected by Seller: (a) cash, (b) money order, (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity or (d) Electronic Funds Transfer. Upon reinstatement by Purchaser, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred.

24.

HEIRS AND ASSIGNS

This contract shall be binding upon and to the benefit of the heirs, administrators, executors, and assigns of the parties hereto. However, nothing herein shall authorize a transfer in violation of paragraph (12).

25.

OTHER PROVISIONS

Monthly payments on balance of purchase price to be amortized over 10 years and all due and payable in 5 years with a balloon payment due on aforementioned date, September 14, 2009

WITNESS THE SIGNATURES of the Parties this the 15th day of September, 2004.

SELLER:

William R. Westbrook 9-15-04
Margaret A. Westbrook 9-15-04

PURCHASER:

Jackie A. Chicks 9-15-04
[Signature] 9-15-04

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