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Real Estate Contract
For
"Be Happy"

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State of Oregon, County of Klamath
Recorded 07/26/05 12:34 p m
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Linda Smith, County Clerk
Fee \$ 31.00 # of Pgs 3

1. *Parties and Date.* This contract is entered into on July 18, 2005. between Harley and Marian Piper, husband and wife, as "Seller" and Charles and Rebecca Piper, husband and wife as "Buyers".
note

2. *Sale and Legal Description.* Seller agrees to sell Buyers and Buyers agree to purchase from Seller the following described real estate in Klamath County, State of Oregon: Lot #67, Tract 1318, Gilchrist town site, Tax Map 24S,09E,19DD-300. Tax account #881445

3(a). *Price.* Buyer agrees to pay:
Total Price of \$81,000.00
Less Down Payment of \$10,000.00
Amount Financed by Seller \$71,000.00

(b). *Payment Amount Financed by Seller.* Buyer agrees to pay the sum of \$71,000.00 as follows:
A payment of \$675.00 per month which includes principle payment and interest payment. For a term of 20 years. Payments are due on or before the 5th day of each month. Interest at the rate of 10% annum on the entire balance thereof. First payment is to be made on April 15, 2012, or at a mutually agreed upon date.

4. *Fulfillment Deed.* Upon payment of all amounts due Seller, Seller agrees to deliver to Buyers a statutory Warranty Deed in fulfillment of this contract.

5. *Late Charges.* If any payment on the price is not made within 30 days after the date it is due, Buyers agree to pay a late charge equal to 5% of the amount of such payment. Such late payment charge shall be in addition to all other remedies available to Seller and the first amounts received from Buyers after such late charges are due shall be applied to the late charges.

6. *Taxes, Assessments and Utility Liens.* Buyers agree to pay by the date due all taxes and assessments becoming a lien against the property after the date of this contract. Buyers may in good faith contest any such taxes or assessment so long as no forfeiture of sale of the property is threatened as the result of such contest. Buyers agree to pay when due any utility charges which may become liens superior to Seller's interest under this contract. Buyers agree to pay all association dues and assessments levied by the Gilchrist Home Owners Association which may result in a lien on the property.

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CP / HP

7. *Insurance.* Buyers agree to keep all buildings now or hereafter erected on the property described herein continuously insured under fire and extended coverage policies in an amount not less than the balances owed on obligations assumed by Buyers plus the balance due Seller, or full insurable value, whichever is lower. All policies shall be held by the Seller and be in such companies as the Seller may approve and have loss payable to Seller as their interests may appear and then to Buyers. Buyers may within 30 days after loss negotiate a contract to substantially restore the premises to their condition before the loss. If the insurance proceeds are sufficient to pay the contract price for restoration or if the Buyers deposits in escrow any deficiency with instructions to apply the funds on the restoration contract, the property shall be restored unless the underlying encumbrances provide otherwise. Otherwise the amount collected under any insurance policy shall be applied upon any amounts due hereunder in such order as the seller shall determine. In the event of forfeiture, all right of the Buyers insurance policies then in force shall pass to Seller.
8. *Condition of Property.* Buyers accept the property in its present condition and acknowledges that the Seller have made no representation or warranty concerning the physical condition of the property or the uses to which it may be put other than as set forth herein. Buyers agree to maintain the property in such condition as complies with all applicable laws and covenants of the Gilchrist Home Owners Association.
9. *Default.* If the Buyers fail to observe or perform any term, covenant or condition of this contract, Seller may:
- (a). *Acceleration of Balance Due.* Give buyers written notice demanding payment of said delinquencies and payment of a late charge of 5% of the amount of such delinquent payments and payment of Seller's reasonable attorney's fees and costs incurred for services in preparing and sending such Notice and stating that if payment pursuant to said Notice is not received within thirty (30) days after the date said Notice is either deposited in the mail addressed to the Buyers or personally delivered to the Buyers, the entire balance owing, including interest, will become immediately due and payable. Seller may thereupon institute for payment of such balance, interest, late charge and reasonable attorneys fees and costs; or
 - (b). *Judicial Foreclosure.* Sue to foreclose this contract as a mortgage, in which event buyers may be liable for a deficiency.

10. *Successors and Assigns.* Subject to any restrictions against assignment, the provisions of this contract shall be binding on the heirs, successors and assigns of the Seller and the Buyers.

11. *Alterations.* Buyers shall not make any substantial alteration to the improvements on the property without the prior consent of the Seller, which consent will not be unreasonably withheld.

12. *Due on Sale.* If Buyers, without written consent of Seller, (a) conveys, (b) sells, (c) leases, (d) assigns, (e) contracts to convey, sell, lease or assign, (f) grants an option to buy the property, (g) permits a forfeiture or foreclosure or trustee or sheriff's sale of any of the Buyer's interest in the property or this Contract, Seller may at any time thereafter declare the entire balance of the purchase price due and payable.

13. *Entire Agreement.* This contract constitutes the entire agreement of the parties and supersedes all prior agreements and understandings, written or oral. This contract may be amended only in writing executed by Seller and Buyers.

IN WITNESS, the parties have signed and sealed this Contract the day and year first above written.

Seller

Harley Piper
Harley Piper

Marian L. Piper
Marian Piper

Buyers

Charles Piper
Charles Piper

Rebecca Piper
Rebecca Piper

Mary M. Souza

Date 7-18-2005

