

After recording return to:
Cindy Smith
3556 James Dean Ct
Reno, NV 89506-8070

2006-021994
Klamath County, Oregon



00007800200600219940050057

11/02/2006 08:51:50 AM

Fee: \$41.00

Land Sales Contract

This Agreement is made and entered into by and between:

James Marsden and Robin Marsden (as recorded on the deed)
(seller)

whose address is:

1492 Lakeshore Dr Klamath Falls, OR 97601

email: marsden.jim@gmail.com phone: (541) 273-1438

hereinafter called the Vendor and

Art and Cindy Smith

(buyer)

whose address is:

3556 James Dean Ct Reno, NV 89506

email Wpackfn1@aol.com phone: 775-972-9029

hereinafter called the Vendee.

Witnesseth: The Vendor, for himself, his heirs and assigns, does hereby agree to sell to the Vendee, their heirs and assigns, the following real estate commonly known as:

R3107-O12AO-13000-000 and further described; as:

Lot 9, Block 20, Tract No. 1027, MT. SCOTT MEADOW, according to the official plat thereof on file in the office of the Clerk of Klamath County, Oregon.

CODE 008 MAP 3107-012AO TL 13000 KEY#82886

together with all appurtenances, rights, privileges, covenants, conditions, restrictions and easements connected with said property.

1. CONTRACT PRICE. METHOD OF PAYMENT, INTEREST RATE:

In consideration whereof, the Vendee agrees to purchase the above described property for the sum of Seven Thousand Five Hundred Dollars (\$ 7,500) which is the true and actual consideration paid for this transfer, payable as follows:

The sum of \$ 1,000 as down payment at the time of execution of the within Land Contract the receipt of which is hereby acknowledged, leaving principal balance owed by Vendee of \$ 6,500 together with interest on the unpaid balance payable in consecutive monthly installments of \$ 300 beginning on the 6th day of November, 2006, and on the 6th day of each and every month thereafter until April, 6th, 2007 at which time payments shall revert to \$200 per month until said balance and interest is paid in full. The Interest on the unpaid balance due hereon shall be 8% per annum computed monthly, in accordance with a monthly amortization schedule during the life of this

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Contract.

Payments shall be made to the Vendor at the location above, unless otherwise directed by the Vendor, and such payments shall be credited first to the Interest, and the remainder to the principal or other sums due. The total amount of this obligation, both principal and interest, unpaid after making any such application of payments as herein receipted shall be the interest bearing principal amount of this obligation for the next succeeding interest computation period. If any payment is not received within ten (10) days of payment date, there shall be a late charge of **\$15.00 and will be added to at the rate of \$2.00 per day until full payment is made.** It is further agreed that the Vendor has the discretion to declare a contract in default due to unpaid payment(s). The Vendee's default can be cured by following the procedures set forth in Oregon Revised Statutes 93.920 and by paying all costs and expenses actually incurred by sellers in enforcing the contract, including, but not limited to, late charges, attorney fees of \$350.00 and costs of title search. Vendee may prepay at any time all or part of the principal amount due on this contract without payment of penalties or premiums, provided that Vendee is not in default under this contract, and the payment is identified as prepayment of principal.

2. ENCUMBRANCES:

Said real estate is presently **not** subject to a mortgage, and neither Vendor nor Vendee shall place any mortgage on the premises without prior written consent of the other party.

3. REAL ESTATE TAXES:

Real estate taxes shall be the responsibility of the Vendee as of the date of the execution of this agreement and shall be payable to Klamath County.

4. INSURANCE AND MAINTENANCE:

IT IS FURTHER UNDERSTOOD AND AGREED between the parties that the Purchaser shall provide and continuously maintain insurance on any buildings hereafter erected on the property against loss or damage by fire and such other hazards as the Vendee may from time to time require, in an amount not less than the construction costs, written in companies acceptable to the Vendee, with loss payable to the latter; and Vendee holds Vendor harmless against any loss to said improvements.

5. POSSESSION:

The Vendee shall be given possession of the above described premises upon Contract execution, or as otherwise provided herein and shall thereafter have and hold the same subject to the provisions for default hereinafter set forth.

IT IS UNDERSTOOD AND AGREED between the parties that Vendee shall not commit any strip or waste on the premises, or sever any growing timber from said premises, nor shall the Purchaser suffer or permit any strip or waste to be committed on such premises, and all improvements placed thereon shall remain and shall not be removed before final payment is made, and that Vendee shall not remove any improvements now upon said premises or hereafter to be placed thereon without first having obtained the written consent of the Vendor.

IT IS FURTHER UNDERSTOOD AND AGREED between the parties that the Vendee shall have a right to possession and to the income from said premises herein before described so long as the Vendee shall not be in default in the performance of any agreement herein contained; and that the Vendor or its agents shall have the right to enter into, or upon the premises at any reasonable time, for the purpose of inspecting the same; and that the Vendee shall make no unlawful, offensive, or improper use of the premises or any part thereof. Vendee shall pay in a timely manner all taxes assessed on the property. The Vendee shall not permit the property to be liened other than for taxes and assessments. The Vendee shall promptly pay all taxes and assessments when due. If Vendee allows the property taxes or assessments to become delinquent, that will be grounds for forfeiture or foreclosure of this contract by the Vendor .

6. ASSIGNMENT:

The Vendee shall not sell, assign, or pledge their interest in this Land Contract without the Vendor's written consent which consent shall not be unreasonably withheld.

7. DELIVERY OF DEED:

Upon full payment of this contract, the Vendee shall receive a Bargain and Sale deed to the property free and clear of any and all liens, mortgages, back taxes and encumbrances of any kind.

8. DEFAULT:

IT IS FURTHER UNDERSTOOD AND AGREED between the parties that should the Vendee fail to comply with any terms of the contract, then this contract shall, at the option of the Vendor, become null and void. In the case of default, all rights and interests created or existing in favor of Vendee shall utterly cease and desist. All right to possession of premises above described and all other rights acquired by Vendee shall revert to the Vendor without any act of re-entry or any other act of Vendor to be performed.

In the case of default Vendee shall have no right of return, reclamation of compensation for moneys paid or received on account of the proposed purchase or sale of said property as absolutely, fully and perfectly as if this agreement and such payments had never been made. In case of such default all payments made on this contract are to be retained and belong to

Vendor . Vendor shall, in case of default, have the right to enter upon the property immediately, or at any time thereafter, without any process of law, and take immediate possession, together with all improvements and appurtenances thereon or thereto belonging. IT IS FURTHER UNDERSTOOD AND AGREED between the parties that upon the performance by the Vendee of all the terms and conditions herein contained by Vendee to be kept and performed, the Vendor will execute and deliver to Vendee , or to his assigns, a deed conveying all the right, title and interest in the above described premises belonging to the Vendor . No deed to such property shall be executed until all taxes and municipal charges are fully paid thereon. IN CASE SUIT OR ACTION IS INSTITUTED to foreclose this contract or to enforce any of the provisions thereof, Vendee agrees to pay such sum as the court may adjudge reasonable for Vendor's attorney's fees in said suit or action.

Failure of Vendee to maintain current the status of all real estate taxes and insurance escrow payments and/or premiums as required herein shall permit Vendor the option to pay any such escrow amounts, premiums, taxes, interest, and/or penalty(ies), and to add same to the next due installment payment or principal amount owing under this contract, or to exercise any remedies available to Vendor.

Waiver by the Vendor of a default or a number of defaults in the performance hereof by the Vendee shall not be construed as a waiver of any default, no matter how similar.

9. GENERAL PROVISIONS:

There are no known pending orders issued by any governmental authority with respect to this property other than those spelled out herein prior to closing date for execution of this agreement.

It is agreed that this Land Contract shall be binding upon each of the parties, their administrators, executors, legal representatives, heirs and assigns.

10. INDEMNITY — To appear in and defend any action or proceeding purporting to affect the security, or the rights and powers of Vendor as relating to this property; and to pay all costs and expenses.

“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.” “THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS, WHICH, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE. 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 EXISTENCE OF FIRE PROTECTION FOR STRUCTURES."

VENDOR:

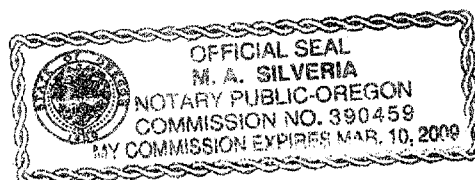
(James Marsden)

(Robin Marsden)

This document was acknowledged before me on Oct. 30, 2006, personally appeared the within named James Marsden and Robin Marsden, who is known to be the person (s) whose name (s) is (are) subscribed to the within instrument and acknowledged that he/she/they executed the same freely and voluntarily for the purposes therein contained.

Notary Public for Oregon

My Commission expires: 3/10/09



VENDEE:

Arthur L. Smith
Cindy L. Smith

This document was acknowledged before me on October 16, 2006 personally appeared the within named Arthur L. Smith and Cindy L. Smith, who is known to be the person (s) whose name (s) is (are) subscribed to the within instrument and acknowledged that he/she/they executed the same freely and voluntarily for the purposes therein contained.

Notary Public for Nevada

My Commission expires:

January 1, 2010

