

MTC 78747-DS

EARLA M. PATTON
1956 Earle Street
Klamath Falls OR 97601
Seller's Name and Address

LONDON A. MILLET
2123 Oak Avenue
Klamath Falls OR 97601
Buyer's Name and Address

After recording, return to:
EARLA M. PATTON
1956 Earle Street
Klamath Falls OR 97601

Send all tax statements to:
EARLA M. PATTON
1956 Earle Street
Klamath Falls OR 97601

2007-006913

Klamath County, Oregon



00020234200700069130030031

04/13/2007 03:21:58 PM

Fee: \$31.00

REAL ESTATE CONTRACT

THIS CONTRACT, dated April 13, 2007, between **EARLA M. PATTON** hereinafter called "Seller," and **LONDON A. MILLET**, hereinafter called "Buyer,"

WITNESSETH: That in consideration of the mutual covenants and agreements herein contained, Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller all of the following described lands and premises situated in Klamath County, State of Oregon, to-wit:

The Southerly 38.2 feet of Lots 30 and 31, Block 18, INDUSTRIAL ADDITION to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, commonly known as 2123 Oak Avenue.

Account No: 3809-033AB-13500-000

Key No: 417604

for the sum of ONE HUNDRED NINE THOUSAND and 00/100 DOLLARS (\$109,000), hereinafter called the purchase price, on account of which FOURTEEN THOUSAND and 00/100 DOLLARS (\$14,000) is paid on the execution hereof (the receipt of which is hereby acknowledged by Seller); Buyer agrees to pay the remainder of the purchase price (to-wit: \$95,000) to the order of Seller in monthly payments of not less than SIX HUNDRED TWENTY and 80/100 DOLLARS (\$620.80) each month, payable on the 1st day of each month hereafter beginning with the month and year of May 1, 2007, and continuing until the purchase price is fully paid, with a balloon payment of the entire remaining principal balance due on or before April 12, 2010; no prepayment penalty; and Buyer is restricted from assigning this contract. An additional monthly payment for tax and insurance impounds will be added by the collection escrow. Buyer is aware that Seller has an underlying loan to be paid by Seller, with a loan balance of approximately \$93,600.

The true and actual consideration for this conveyance is \$109,000.

All of the purchase price may be paid at any time; all of the deferred payments shall bear interest at the rate of 6.875 percent per annum from April 13, 2007, until paid; interest to be paid monthly and to be included in the minimum monthly payments above required. Taxes on the premises for the current tax year shall be prorated between the parties hereto as of April 13, 2007.

Buyer warrants to and covenants with Seller that the real property described in this contract is primarily for Buyer's personal, family or household purposes. Seller is a creditor, as such word is defined in the Truth-in-Lending Act and Regulation Z and, as such, Seller MUST comply with the Act and Regulation by making required disclosures.

31-

Buyer shall be entitled to possession of the lands on April 13, 2007, and may retain such possession so long as Buyer is not in default under the terms of this contract. Buyer agrees that at all times Buyer will keep the premises and the buildings, now or hereafter erected thereon, in good condition and repair and will not suffer or permit any waste or strip thereof; that Buyer will keep the premises free from construction and all other liens and save Seller harmless therefrom and reimburse Seller for all costs and attorney fees incurred by Seller in defending against any such liens; that Buyer will pay all taxes hereafter levied against the property, as well as all water rents, public charges and municipal liens which hereafter lawfully may be imposed upon the premises, all promptly before the same or any part thereof become past due; that at Buyer's expense, Buyer will insure and keep insured all buildings now or hereafter erected on the premises against loss or damage by fire (with extended coverage) in an amount not less than \$95,000 in Seller's current company, with loss payable first to Seller and then to Buyer as their respective interests may be. If Buyer shall fail to pay any such liens, costs, water rents, taxes or charges, Seller may do so and any payment so made shall be added to and become a part of the debt secured by this contract and shall bear interest at the rate aforesaid, without waiver, however, of any right arising to Seller for Buyer's breach of contract.

Seller agrees that at Seller's expense and within thirty (30) days from the date hereof, Seller will furnish unto Buyer a title insurance policy insuring (in an amount equal to the purchase price) marketable title in and to the premises in Seller on or subsequent to the date of this agreement, save and except the usual printed exceptions and the building and other restrictions and easements now of record, if any. Seller also agrees that when the purchase price is fully paid and upon request and upon surrender of this agreement, Seller will deliver a good and sufficient deed conveying the premises in fee simple unto Buyer, Buyer's heirs and assigns, free and clear of encumbrances as of the date hereof and free and clear of all encumbrances since the date placed, permitted or arising by, through or under Seller, excepting, however, the easements, restrictions and the taxes, municipal liens, water rents and public charges so assumed by Buyer and further excepting all liens and encumbrances created by Buyer or Buyer's assigns. Seller and Buyer will execute an All-Inclusive Trust Deed (wrapping around Seller's underlying loan) and a Promissory Note when Buyer's refinance lender requests Seller to do so, before this Real Estate Contract balloon payment is due.

And it is understood and agreed between the parties that time is of the essence of this contract, and in case Buyer shall fail to make the payments above required, or any of them, punctually within 20 days of the time limited therefore, or fail to keep any agreement herein contained, then Seller shall have the following rights and options:

- (1) To declare this contract cancelled for default and null and void, and to declare the purchaser's rights forfeited and the debt extinguished, and to retain sums previously paid hereunder by Buyer [*Seller to comply with ORS 93.905 et seq. prior to exercising this remedy*];
- (2) To declare the whole unpaid principal balance of the purchase price with the interest thereon at once due and payable; and/or
- (3) To foreclose this contract by suit 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 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 Seller to be performed and without any right of Buyer of return, reclamation or compensation for moneys paid on account of the purchase of the 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 Seller as the agreed and reasonable rent of the premises up to the time of such default. And Seller, in case of such default, shall have the right immediately, or at any time thereafter, to enter upon the land aforesaid, without any process of law, and take immediate possession thereof, together with all the improvements and appurtenances thereon or thereto belonging.

Buyer further agrees that failure by Seller at any time to require performance by Buyer of any provision hereof 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.

Seller, Seller's agents, and the holder of any existing encumbrance to which the lands and premises are subject may enter upon the lands and premises at reasonable times (upon reasonable prior notice to Buyer) for the purpose of inspecting the property.

