

SR141264 LI

After Recording Return to:

David Egerton and Bettie Bishop-Egerton
3760 Highway 101, #4
Florence, OR 97439

Tax statements:
No change

(Space Reserved for R

2012-011402
Klamath County, Oregon
10/15/2012 09:31:36 AM
Fee: \$67.00

CONTRACT OF SALE

DATED: 10-3-2012

BETWEEN: David^E Egerton and Bettie Bishop-Egerton ("Seller")

AND: Eugene Alan Rogers ("Purchaser")

Seller owns the real property located in Klamath County, Oregon, and legally described as follows:

Lot 40, Block 1, Tract 1098-Split Rail Ranchos, according to the official plat thereon on file in the office of the County Clerk of Klamath County, Oregon.

(the "Property").

Seller agrees to sell the Property to Purchaser and Purchaser agrees to buy the Property from Seller for the price and on the terms and conditions set forth below:

Section 1. Purchase Price; Payment

1.1 Total Purchase Price. Purchaser promises to pay Seller as the total purchase price for the Property the sum of \$149,900.00 (US).

1.2 Payment of Total Purchase Price. The total purchase price shall be paid as follows:

A down payment in the amount of \$5,000.00 shall be paid at closing. The remaining \$144,900.00 shall accrue interest at the rate of 4.5% per annum. The remaining balance shall be payable in the amount of \$734.19 per month, plus taxes impound amount currently in the amount of \$100.00 per month beginning on October 15, 2012. Payment will be sent to: David and Bettie Egerton, 3760 Hwy 101, #4, Florence, OR 97439, on or before the 15th of each month thereafter. The taxes impound amount are subject to change. This contract shall be paid in full on or before October 15, 2013. No prepayment penalty.

Seller agrees to provide Purchaser proof of monthly mortgage payments, for the duration of this contract. Purchaser is to provide proof of insurance to seller on or before May 15, 2013, listing seller as an additional insured. Seller is also retaining insurance on the property in their sole names. Seller and Purchaser have agreed to split all escrow fees and title insurance fees on this contract. Purchaser agrees to pay seller the value of the propane retained in the propane tank, as of closing, as determined by the propane company.

Section 2. Taxes and Liens

2.1 Obligation to Pay. All real and personal property taxes and all governmental or other assessments levied against the Property for the current tax year shall be prorated between Seller and Purchaser as of the date of closing.

2.2 Right to Contest. If Purchaser objects in good faith to the validity or amount of any tax, assessment, or lien, Purchaser, at Purchaser's sole expense, may contest the validity or amount of the tax or assessment or lien, provided that Seller's security interest in the Property is not jeopardized. Purchaser shall otherwise keep the Property free from all liens that may be lawfully imposed upon the Property after closing, other than the lien of current taxes not yet due.

2.3 Tax Statements. Seller shall provide Purchaser with written evidence reasonably satisfactory to Purchaser that all taxes and assessments have been paid when due. Seller shall submit this evidence upon the request of Purchaser, which request shall be made no more frequently than once each 90 days.

Section 3. Representations, Warranties, and Covenants of Seller

3.1 Covenants of Title. Seller warrants that Seller is the owner of the property, subject to a mortgage and equity line of credit attached to the property, that will be paid off with the proceeds of this sale.

3.2 No Further Contracts. Seller represents that there are no contracts, leases, or agreements relating to the Property, except for the mortgage and equity line of credit that will be paid off with the proceeds of this sale. No other liens shall be placed against this property by sellers.

3.3 No Warranties; As Is. Seller makes no other warranties, express or implied, as to the Property or the condition or state of repair thereof, it being understood by all parties that the Property will be conveyed to the Buyer AS IS, except such warranties as may arise by law under the Deed.

3.4 Disclosure. Seller has fully disclosed in writing [and provided] to Purchaser all material information in Seller's possession or that Seller owns or controls that relates to the Property[, its condition,] and the title to the Property.

Section 4. Deed

Upon payment of the total purchase price for the Property as provided in this Contract and performance by Purchaser of all other terms, conditions, and provisions of this Contract, Seller shall forthwith deliver to Purchaser a good and sufficient bargain and sale deed conveying the Property.

Section 5. Default

5.1 Events of Default. Time is of the essence of this Contract. A default shall occur under any of the following circumstances:

- (1) Failure of Purchaser to make payment when due.
- (2) Failure of Purchaser to perform any other obligations contained in this Contract within 10 days after notice from Seller specifying the nature of the default or, if the default

cannot be cured within 10 days, failure within such time to commence and pursue curative action with reasonable diligence.

(3) Dissolution, termination of existence, insolvency on a balance sheet basis, or business failure of Purchaser; the commencement by Purchaser of a voluntary case under the federal bankruptcy laws or under other federal or state law relating to insolvency or debtor's relief; the entry of a decree or order for relief against Purchaser in an involuntary case under the federal bankruptcy laws or under any other applicable federal or state law relating to insolvency or debtor's relief; the appointment or the consent by Purchaser to the appointment of receiver, trustee, or custodian of Purchaser or of any of Purchaser's property; an assignment for the benefit of creditors by Purchaser or Purchaser's failure generally to pay its debts as such debts become due.

5.2 Remedies of Default. In the event of a default, Seller may take any one or more of the following steps:

(1) Seller may declare the entire balance of the purchase price and interest immediately due and payable.

(2) Seller may foreclose this Contract by suit in equity.

(3) Seller may specifically enforce the terms of this Contract by suit in equity.

(4) With respect to any part of the Property that constitutes personal property in which Seller has a security interest, Seller may exercise the rights and remedies of a secured party as provided by the Uniform Commercial Code.

(5) In the event Purchaser fails to make any payment within 15 days after it is due, Seller may elect to impose a late charge not to exceed five cents per dollar of the installment, in addition to and not in lieu of any and all other rights and remedies available to Seller. Demand or acceptance by Seller of such a late charge by Seller shall not cure or waive Purchaser's default.

(6) After complying with the notice requirements and affording Purchaser the right to cure the default contained in ORS 93.905-93.940 as the same may be amended or superseded from time to time, as long as the same is applicable, Seller may declare this Contract forfeited and retain the amount of the payments previously made under this Contract. Upon recordation of the affidavit required by Oregon law, this Contract shall be extinguished and canceled, and Purchaser shall have no further right, title, or interest in and to the real property or to any return or compensation for payments previously made under this Contract, as though this Contract and such payments had never been made. In such event, Purchaser agrees to surrender the Property to Seller. If Purchaser fails to do so, Seller may elect to treat Purchaser as a tenant holding over unlawfully after the expiration of a lease, and Purchaser may be ousted and removed as such, without affecting Seller's right to pursue other rights and remedies contained in this Contract or permitted by law.

(7) Seller shall be entitled to the appointment of a receiver as a matter of right whether or not the apparent value of the Property exceeds the amount of the balance due under

this Contract, and any receiver appointed may serve without bond. Employment by Seller shall not disqualify a person from serving as a receiver. Upon taking possession of all or any part of the Property, the receiver may:

- (a) Use, operate, manage, control, and conduct business on the Property and make necessary expenditures for all maintenance and improvements;
- (b) Collect all rents, revenues, income, issues, and profits (the "Income") from the Property and apply such sums to the necessary expenses of use, operation, and management;
- (c) At Seller's option, complete any construction in progress on the Property, and in that connection pay all bills, borrow funds, employ contractors, and make any changes in plans and specifications as Seller deems appropriate.

If the revenues produced by the Property are insufficient to pay expenses, the receiver may borrow, from Seller or otherwise, [such sums as the receiver deems necessary for the purposes stated in this paragraph, and repayment of such sums shall be secured by this Contract. Amounts borrowed from or advanced by Seller shall bear interest at the same rate as the balance of the purchase price under this Contract from the date of expenditure until repaid and shall be paid by Purchaser on demand.

5.3 Remedies Not Exclusive. The remedies provided above shall be nonexclusive and in addition to any other remedies provided by law.

Section 6. Prior Agreements

This document is the entire, final, and complete agreement of the parties pertaining to the sale and purchase of the Property, and upon execution by the parties, supersedes and replaces all prior or existing written and oral agreements (including any real estate agreement) between the parties, relating to the Property.

Section 7. Notice

Any notice under this Contract shall be in writing and shall be effective when actually delivered in person or 3 days after being] deposited in the U.S. mail, registered or certified, return-receipt requested, postage prepaid and addressed to the party at the address stated in this Contract or such other address as either party may designate by written notice to the other.

Section 8. Applicable Law

This Contract has been entered into in Oregon and the Property is located in Oregon. The parties agree that the laws of the state of Oregon shall be used in construing the Contract and enforcing the rights and remedies of the parties. This agreement shall be binding as against both parties heirs, successors, administrators, executors trustees and assigns.

Section 9. Costs and Attorney Fees

9.1 No Suit or Action Filed. If this Contract is placed in the hands of an attorney due to a default in the payment or performance of any of its terms, the defaulting party shall pay, immediately upon demand, the other party's reasonable attorney fees, collection costs, costs of

either a litigation or a foreclosure report (whichever is appropriate), even though no suit or action is filed thereon, and any other fees or expenses incurred by the nondefaulting party.

9.2 Arbitration or Mediation; Trial and Appeal. If any arbitration, mediation, or other proceeding is brought in lieu of litigation, or if suit or action is instituted to enforce or interpret any of the terms of this Contract, or if suit or action is instituted in a Bankruptcy Court for a United States District Court to enforce or interpret any of the terms of this Contract, to seek relief from an automatic stay, to obtain adequate protection, or to otherwise assert the interest of Seller in a bankruptcy proceeding, the party not prevailing shall pay the prevailing party's costs and disbursements, the fees and expenses of expert witnesses in determining reasonable attorney fees pursuant to ORCP 68, the actual cost of a litigation or foreclosure report, and such sums as the court may determine to be reasonable for the prevailing party's attorney fees connected with the trial and any appeal and by petition for review thereof; in addition, the Court shall award the prevailing party attorney fees of \$3,000, which the parties agree is a reasonable attorney fee for collecting any resulting judgment.

9.3 Definitions. For purposes of this Contract, the term attorney fees includes all charges of the prevailing party's attorneys and their staff (including without limitation legal assistants, paralegals, word processing, and other support personnel) and any postpetition fees in a bankruptcy court. For purposes of this Contract, the term fees and expenses includes but is not limited to long-distance telephone charges; expenses of facsimile transmission; expenses for postage (including costs of registered or certified mail and return receipts), express mail, or parcel delivery; mileage and all deposition charges, including but not limited to court reporters' charges, appearance fees, and all costs of transcription; costs incurred in searching records; and the cost of title reports or surveyor's reports.

Section 10. Condition of Property

Purchaser accepts the land, buildings, improvements, and all other aspects of the Property in their present condition, AS IS, WHERE IS, including latent defects, without any representations or warranties from Seller or any agent or representative of Seller, expressed or implied, except to the extent expressly set forth in this Contract. Purchaser agrees that Purchaser has ascertained, from sources other than Seller or any agent or representative of Seller, the condition of the Property and its suitability for Purchaser's purposes, the applicable zoning, building, housing, and other regulatory ordinances and laws, and that Purchaser accepts the Property with full awareness of these ordinances and laws as they may affect the present use or any intended future use of the Property, and Seller has made no representations with respect to such condition or suitability of the Property or such laws or ordinances. PURCHASER SHALL MAKE NO ALTERATIONS TO EITHER THE STRUCTURES OR THE REAL PROPERTY WITHOUT PRIOR WRITTEN CONSENT OF THE SELLER DURING THE LENGTH OF THIS CONTRACT.

Closing Clause:

IN WITNESS WHEREOF, the parties have caused this Contract to be executed in duplicate as of the day and year first above written.

Bettie Bishop-Egerton
Bettie Bishop-Egerton

STATE OF OREGON)

County of Deschutes ss.
~~Lane~~

On this 8 day of Oct, 2012, before me personally appeared Bettie Bishop-Egerton, who being duly sworn and acknowledged the foregoing instrument to be her voluntary act.



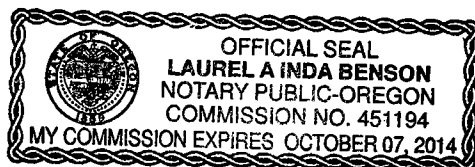
Laurel Benson
Notary Public for Oregon
My commission expires: 10-7-14

David Egerton
E

STATE OF OREGON)

County of Deschutes ss.
~~Lane~~

On this 8 day of Oct, 2012, before me personally appeared David ^E Egerton, who being duly sworn and acknowledged the foregoing instrument to be his voluntary act.



Laurel Benson
Notary Public for Oregon
My commission expires: 10-7-14

Eugene Alan Rogers
Eugene Alan Rogers

STATE OF UTAH)

County of Sanpete) ss.

On this 3rd day of Oct, 2012, before me personally appeared Eugene Alan Rogers, who being duly sworn and acknowledged the foregoing instrument to be his voluntary act.

Michelle L. Francks
Notary Public for Utah
My commission expires: _____

