

Send Taxes to

~~905~~

D. Frances Young

905 Prospect St

Klamath Falls OR 97601

CONTRACT OF SALE



00275225202100032620120129

03/04/2021 11:41:25 AM

Fee: \$137.00

Opening Clause:

DATED: December 22, 2020

BETWEEN: D. Frances Young ("Seller")
 905 Prospect Street
 Klamath Falls, OR 97601

AND David Grammer and Martha Grammer ("Purchaser")
 3445 Bristol Avenue
 Klamath Falls, OR 97603

Seller is the owner of the real property located at 2507 Gettle Street, Klamath Falls, Klamath County, Oregon, and legally described as:

Lots 17 and 18, Block 7, ST. FRANCIS PARK, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon

Map/Tax R-3909-002Ca-06700-000; Property ID # R518988

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 \$159,000.00.

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

1.2.1 Down Payment. Purchaser shall pay on or before the Closing Date, as defined in Section 3.1, the sum of \$10,000.00 in immediately available funds as a down payment on the purchase price.

1.2.2 Interest Rate and Scheduled Payment Dates. Interest on the remaining balance of \$149,000.00 shall accrue at the rate of 3.00% per annum from the Closing Date.

1.2.3 The unpaid balance of the purchase price shall be paid in full on or before December 31, 2021

1.2.3.1 In the event purchaser fails to make any payment within 15 days after it is due, Seller may elect to impose a late charge of \$50.00 each.

1.2.4 All unpaid principal must be paid in full on or before May 1, 2024.

1.3 Prepayments. Purchaser may make prepayments under this contract, but any prepayment shall not excuse Purchaser from making the regular monthly payments due under this Contract until the remaining balance has been paid in full. This paragraph shall not apply to any payments due under this Contract which are accelerated because of Purchaser's default under any of the provisions of this Contract.

1.4 Place of Payments. All payments to Seller shall be made to Seller D. Frances Young, 905 Prospect Street, Klamath Falls, OR 97601, or to such other place or person as Seller may designate by written notice to Purchaser.

Section 2. Taxes and Liens.

2.1 Obligation to Pay. All ad valorem real and personal property taxes and all governmental or other assessments levied against the Property for the 2019-2020 tax year shall be prorated between Seller and Buyer as of the Closing Date. Purchaser shall pay when due all taxes and assessments that are levied against the Property beginning with the 2020-2021 tax year.

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 the closing date, other than the lien of current taxes not yet payable.

2.3 Tax Statements. Purchaser shall provide Seller with written evidence reasonably satisfactory to Seller that all taxes and assessments have been paid no later than November 15 of each year. Purchaser shall submit this evidence after each required payment of taxes and assessments.

Section 3. Closing

3.1 Closing Date. This transaction shall be closed on or before January 22, 2021. As used in this Contract the "Closing Date" means the date on which the Purchaser tenders the down payment and seller and Purchaser execute this Land Sale Contract.

Section 4. Possession

4.1 Possession. Purchaser shall be entitled to possession of the Property from and after the closing date; provided, however, that Seller and Seller's agents may enter upon the Property at reasonable times upon prior notice to Purchaser for the purpose of inspecting the Property.

Section 5. Maintenance

5.1 Maintenance. Purchaser shall keep all buildings, other improvements, and landscape

now existing or that shall be placed on the Property in good condition and repair, and shall not permit any waste or removal of the improvements, nor make any substantial improvements or alterations that reduce the value of the Property for security purposes without the prior written consent of Seller.

5.1.1 Improvements. In the event Purchaser desires to alter or further improve all or any portion of the Property, Purchaser shall obtain all necessary permits and provide a construction and completion bond or other security in an amount and of a nature satisfactory to Seller to cover the proposed costs of construction of the proposed alterations or improvements.

5.1.2 Prohibited Activities. Purchaser shall not knowingly use or suffer the use of all or any of the Property for any "prohibited conduct" as that term is defined in 1989 Or Laws ch 791, §§1-14 and 22, or any "nuisance" as defined in ORS 105.555, or so as to constitute an "illegal drug manufacturing site" as that term is defined in ORS 453.855, as those statutes may now or hereafter be amended, supplemented, or superseded, or otherwise do or allow any act or omission on or about the Property that could subject the Property or Seller's or Purchaser's interest therein to forfeiture or the risk of forfeiture. Purchaser shall not cultivate Marijuana upon the premises until paid in full.

5.1.3 Governmental Damage. In the event that any damage or destruction of the Property or any portion thereof is caused by any governmental or quasi-governmental authority and to the extent the same is not a compensable taking under the state or federal constitution, or directly caused by the act or omission of Seller, Purchaser shall promptly repair and restore the same at its expense.

5.1.4 Hazardous Substances. Purchaser shall comply fully with all laws pertaining to the protection of human health and the environment, including but not limited to employee and community right-to-know laws and all laws regarding the use, generation, storage, transportation, treatment, disposal, or other handling of hazardous substances. Purchaser shall promptly advise Seller in writing of any hazardous substances regulated by such laws that are used, generated, manufactured, stored, transported, or otherwise handled on the Property. Purchaser shall exercise extreme care in handling any hazardous substances and shall not cause or permit hazardous substances to be spilled, leaked, disposed of, or otherwise released on the Property.

Section 6. Insurance

6.1 Property Damage Insurance. Purchaser shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement cost basis covering all improvements on the Property in an amount sufficient to avoid application of any coinsurance clause and with loss payable to Seller and Purchaser as their respective interests may appear. The policies shall be primary with respect to all covered risks, and shall be written in such form with such terms and by such insurance companies reasonably acceptable to Seller. Purchaser shall deliver to Seller certificates of coverage from each insurer containing a stipulation that coverage will not be canceled or diminished without a minimum of 10 days' written notice to Seller. In the event of loss, Purchaser shall give immediate notice to Seller. Seller may make proof of loss if Purchaser fails to do so within 15 days of the casualty.

6.2 Liability Insurance. During the term of this Contract, Purchaser shall maintain public liability and property damage insurance with limits of not less than \$300,000.00 for injury to one person and \$500,000.00 or injury to two or more persons in one occurrence. Such insurance shall cover all risks arising directly or indirectly out of Purchaser's activities on or any condition of the Property, whether or not related to an occurrence caused or contributed to by Seller's negligence; shall protect Seller and Purchaser against claims of third persons. Such policies shall be written in such form, with such terms and by such insurance companies reasonably acceptable to Seller and to the holders of the Prior Lien. Purchaser shall deliver to Seller certificates of coverage from each insurer containing a stipulation that coverage will not be canceled or diminished without a minimum of 10 days' written notice to Seller.

6.3 Application of Proceeds. All proceeds of any insurance on the Property shall be paid to and held by Seller. If Purchaser elects to restore the Property, Purchaser shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Seller. Upon satisfactory proof of expenditure, Seller shall pay or reimburse Purchaser from the proceeds for the reasonable cost of repair or restoration to the extent of such proceeds received by Seller. If Purchaser elects not to restore the Property, Seller shall retain a sufficient amount of the proceeds to pay all amounts owed Seller under this Contract, and shall pay the balance to Purchaser. Any proceeds that have not been paid out within 30 days after their receipt and that Purchaser has not committed to the repair or restoration of the Property shall be used to prepay first accrued interest and then principal of Purchaser's indebtedness.

Section 7. Indemnification

7.1 Purchaser's Indemnification of Seller. Purchaser shall forever indemnify and hold Seller harmless and, at Seller's election, defend Seller from and against any and all claims, losses, damages, fines, charges, actions, or other liabilities of any description arising out of or in any way connected with Purchaser's possession or use of the Property, Purchaser's conduct with respect to the Property, or any condition of the Property to the extent the same arises from or after the Closing Date and is not caused or contributed to by Seller or Purchaser's breach of any warranty or representation made by Purchaser in this Contract. In the event of any litigation or proceeding brought against Seller and arising out of or in any way connected with any of the above events or claims, against which Purchaser agrees to defend Seller, Purchaser shall, upon notice from Seller, vigorously resist and defend such actions or proceedings in consultation with Seller through legal counsel reasonably satisfactory to Seller.

7.2 Indemnification Scope. Wherever this Contract obligates a party to indemnify, hold harmless, or defend the other party, the obligations shall run to the family members, invitees, agents, and employees of such other party and shall survive any termination or satisfaction of this contract. Such obligations with respect to the acts or omissions of either party shall include the acts or omissions of any director, officer, partner, agent, employee, contractor, tenant, invitee, or permittee of such party.

Section 8. Covenants of Seller

8.1 Covenants of Title. Seller warrants that Seller is the owner of good and marketable title to the Property free of all liens and encumbrances, except for any claim made by a dispossessed party by way of the real property tax foreclosure sale held by Klamath County on or about March 15, 2019 and will defend such title from the lawful claims of persons, other than a party foreclosed upon by Klamath County, claiming superior title.

8.2 Authority. Seller represents that Seller has obtained all requisite authorizations for the execution and delivery by Seller of this Contract and the performance of the transactions contemplated by this Contract, and that the execution and delivery of this Contract are made pursuant to such authorizations.

8.3 No Brokers. Seller has not employed any broker or finder in connection with the transactions contemplated by this Contract, and has taken no other action, which would give rise to a valid claim against Purchaser for a brokerage commission, finder's fee, or other like payment.

8.4 Litigation. Except as otherwise disclosed in this Contract, there are no pending claims or litigation or threats of claims or litigation or other matters of which Seller is aware or by the exercise of reasonable diligence of which Seller should be aware that could adversely affect Purchaser's title, use, or enjoyment of the Property.

8.5 Hazardous Substances. To the best of Seller's knowledge, no Hazardous Substance has been disposed of, spilled, leaked, or otherwise released on, under, or from property adjacent to or in the immediate vicinity of the Property. To the best of Seller's knowledge there are no underground storage tanks on the Property. The term Hazardous Substance means any hazardous, toxic, radioactive, or infectious substance, material, or waste as defined, listed, or regulated under any law pertaining to the protection of human health or the environment, and includes without limitation petroleum oil and its fractions.

8.6 Compliance with Laws. Seller is not aware of and has not received notice of any past violation of any applicable federal, state, or local statutes, regulations, or ordinances.

8.7 Nonforeign Status. Seller is not a "foreign person" as defined in Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended.

8.8 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.

8.9 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 9. Title Insurance

Seller shall furnish a purchaser's title insurance policy in the amount of \$159,000.00 within 10 days after the final payment in full date, insuring Purchaser against loss or damage sustained by Purchaser by reason of the unmarketability of Seller's title, or liens or encumbrances affecting the Property, excepting matters contained in the usual printed exceptions in such title insurance policies, those created or suffered by Purchaser, and those referred to in this Contract.

Section 10. 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 warranty deed conveying the Property free and clear of all liens and encumbrances, except those referred to herein and all liens or encumbrances suffered by or placed upon the Property by Purchaser subsequent to the date of this Contract.

Section 11. Default

11.1 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 any payment within 10 days after it is due.
- (2) Failure of Purchaser to perform any other obligations contained in this Contract within 20 days after notice from Seller specifying the nature of the default or, if the default cannot be cured within 20 days, failure within such time to commence and pursue curative action with reasonable diligence. No notice of default and no opportunity to cure shall be required if during any 12-consecutive-month period Seller has already sent a notice to Purchaser concerning default in the performance of the same Contract provision.
- (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. If one of the parties collectively referred to as Purchaser or a party standing in the place of Purchaser suffers an event of default under this subsection, such event of default shall be considered the default of Purchaser.
- (4) The making or suffering by Purchaser of a fraudulent transfer or conveyance under applicable federal or state law; concealment by Purchaser of any of its property from creditors; the making or suffering by Purchaser of a preference within the meaning of the federal bankruptcy law; or the imposition of a lien through legal proceedings or distraint upon any of the property of

Purchaser. If one of the parties collectively referred to as Purchaser or a person standing in the place of Purchaser suffers an event of default under this subsection, such event of default shall be considered the default of Purchaser.

11.2 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 of \$50.00 each 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 expenditures for all maintenance and improvements as in its judgments are proper;

(b) Collect all rents, revenues, income, issues, and profits (the "Income") from the Property and apply such sums to the 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.

(8) Purchaser hereby assigns to Seller all the Income from the Property, whether now or hereafter due. Before default, Purchaser may operate and manage the Property and collect the Income from the Property. In the event of default and at any time hereafter, Seller may revoke Purchaser's right to collect the Income from the Property and may, either itself or through a receiver, collect the same. To facilitate collection, Seller may notify any tenant or other user to make payments of rents or use fees directly to Seller. If the Income is collected by Seller, then Purchaser irrevocably designates Seller as Purchaser's attorney in fact with full power of substitution and coupled with an interest to endorse instruments received in payment thereof in the name of Purchaser and to negotiate the same and collect the proceeds. Payments by tenants or other users to Seller in response to Seller's demand shall satisfy the obligation for which the payments are made, whether or not any proper grounds for the demand existed. Seller shall apply the Income first to the Seller's expenses of renting or collection and the balance if any to the payment of sums due from Purchaser to Seller under this Contract.

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

Section 12. Waiver

Failure of either party at any time to require performance of any provision of this Contract shall not limit the party's right to enforce the provision, nor shall any waiver of any breach of any provision constitute a waiver of any succeeding breach of that provision or a waiver of that provision itself.

Section 13. Successor Interests

This Contract shall be binding upon and inure to the benefit of the parties, their successors, and assigns; but no interest of Purchaser shall be assigned, subcontracted, or otherwise transferred, voluntarily or involuntarily, without the prior written consent of Seller which consent shall not be unreasonably withheld and the consent of the holders of any superior encumbrances. Consent by

Seller to one transfer shall not constitute consent to other transfers or waiver of this section. Purchaser and any other person at any time obligated for the performance of the terms of this Contract hereby waive notice of and consent to any and all extensions and modifications of this Contract or the release of any person or persons from liability under the Contract granted by Seller. Any such extensions or modifications or releases will not in any way release, discharge, or otherwise affect the liability of any person at any time obligated under this Contract.

Section 14. Prior Agreements

This document is the entire, final, and complete agreement of the parties pertaining to the sale and purchase of the Property, and supersedes and replaces all prior or existing written and oral agreements including any earnest money agreement between the parties of their representatives relating to the Property.

Section 15. Notice

Any notice under this Contract shall be in writing and shall be effective when actually delivered in person or when deposited in the U.S. mail, registered or certified, 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 16. 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.

Section 17. Costs and Attorney Fees

17.1 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.

17.2 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 18. Number, Gender, and Captions

As used herein, the singular shall include the plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine, and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of this Contract.

Section 19. Survival of Covenants

Any covenants the full performance of which is not required before the closing or final payment of the purchase price and delivery of the deed shall survive the closing and the final payment of the purchase price and the delivery of the deed and be fully enforceable thereafter in accordance with their terms.

Section 20. 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.

Section 21. Memorandum of Contract

On the Closing Date, Seller will provide to Purchaser a memorandum of this contract to be recorded in the discretion of Purchaser in the real property records of Klamath County, Oregon, in form and content reasonably acceptable to both parties

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES 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 THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES

OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

Closing Clause:

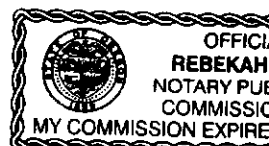
IN WITNESS WHEREOF, the parties have caused this Contract to be executed in duplicate as of the day and year first above written.

Seller:

W Frances Young W Frances Young 3/3/2021

Purchaser:

Dan Sun Dan Sun 3/3/2021
Martha Tramm Martha Tramm 3/3/21



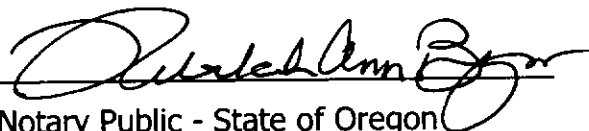
Acknowledgment in an Individual Capacity

State of OREGON

County of Klamath

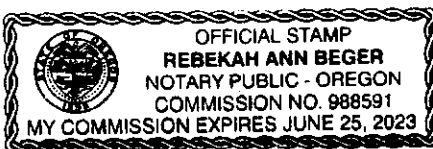
This record was acknowledged before me on (date) March 3, 2020 by

(name(s)) of individual(s) Frances Young, Martha Grammer, David Grammer



Notary Public - State of Oregon

Official Stamp



Document Description

This certificate is attached to page 11 of a Contract of Sale (title or type of document), dated Dec 22, 2020, consisting of 11 pages.

