

DIANA JEAN BETTLES  
ATTORNEY AT LAW PC

2022-011737

Klamath County, Oregon



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Fee: \$132.00

## AMENDED CONTRACT OF SALE

**Opening Clause:**

DATED: September 20, 2022

BETWEEN: Pamela Young ("Seller")  
10542 Kinglet Drive  
Bonanza, OR 97623

AND: Cody Traylor and Tanaya Young ("Purchaser")  
5640 Bartlett Avenue  
Klamath Falls, OR 97601

Seller is the owner of the real property located in Bonanza, Klamath County, Oregon, commonly known as 10542 Kinglet Drive, Bonanza, Oregon, 97623, and legally described as:

Lot 15, 16, and 17, Block 105, KLAMATH FALLS FOREST ESTATES, HWY 66 UNIT Plat 4, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Parcel 1: Lot 18 in Block 105 of Klamath Falls Forest Estates Highway 66, Unit Plat No. 4, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Parcel 2: Lot 19 in Block 105 of Klamath Falls Forest Estates Highway 66, Unit Plat No. 4, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Lot 20 in Block 105 of Klamath Falls Forest Estates Highway 66 Unit, Plat No. 4, according to the official plat thereof on file in the office of the county Clerk of Klamath County, Oregon.

Seller is subject to a Home Equity Loan on property held at First Community Credit Union. Sale is subject to covenants, conditions, restrictions, easements, reservations, rights, rights of way and all matters appearing of record, including said Trust Deed.

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 for the 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 \$200,000.

**1.2 Payment of Purchase Price.** The Total Purchase Price shall be paid as follows:

**1.2.1 Down Payment.** No down payment shall be required.

**1.2.2 Interest.** Purchaser shall pay 2% interest per annum on the outstanding balance.

**1.2.3 Monthly Payments.** Purchaser shall make monthly payments in the amount of \$1,000 per month toward the balance, beginning September 6, 2022 and continuing on the 5<sup>th</sup> day of each month thereafter until August 6, 2052, or until the balance is paid in full.

**1.3 Prepayments.** Purchaser may make prepayments under this Contract. At any time thereafter Purchaser may repay all or any portion of the unpaid principal without penalty. All prepayments shall be applied to the last installments due under this contract and 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 at First Community Credit Union, or to such other place or persons 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 2022-2023 tax year shall be paid by Seller as of the Closing Date. Purchaser shall pay when due all taxes and assessments levied against the Property beginning with the 2022-2023 tax year and shall continue each year thereafter until this contract is paid in full.

Seller shall continue to make payment on the Home Equity Line of Credit held at First Community Credit Union until such time as the Line of Credit is paid in full.

**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 when due.

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 September 6, 2022. As used in this Contract the “Closing Date” means the date on which the escrow agent is prepared to disburse funds.

**3.2 Responsibility of Parties.** At closing Seller shall have received a commitment for the issuance of a Seller’s policy of title insurance as described in Section 8.

**3.3 Prorates and Closing Costs.** Except as otherwise provided in this Contract, all items to be prorated shall be prorated as of the closing date. Purchaser shall be responsible for payment of the title insurance premium, escrow fee and the recording fees for recording this Contract or memorandum thereof.

**3.4 Collection Escrow.** Seller shall deliver to Diana Jean Bettles the deed described in Section 1.1 together with suitable instructions authorizing delivery after all payment have been made and all other obligations of Purchaser under this Contract have been fulfilled.

### **Section 4. Possession.**

**4.1 Possession.** Purchaser shall be entitled to possession of the Property from and after the closing date.

### **Section 5. Maintenance.**

**5.1 Maintenance.** Purchaser shall keep all buildings, other improvements and landscape now existing 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 that Purchaser desires to alter or further improve all or any portion of the Property, Purchaser shall provide a construction or 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 Sellers or Purchaser's interest therein to forfeiture or risk of forfeiture.

**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 and Federal constitution, or directly caused the act or omission of Seller, Purchaser shall promptly repair and restore the same at its expense.

**5.1.4 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. To the best of Seller's knowledge there are no underground storage tanks on the property. The term Hazardous Substance means any hazardous, 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.

**5.1.5 Road Maintenance.** Purchaser shall pay annual Road Maintenance dues and provide a copy of payments to seller until this contract is paid in full.

## **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 and the holders of the prior liens. 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 and the holder of the existing encumbrances. 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 and beginning the 2022/2022 tax year, 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 of injury to two or more persons in one occurrence, and \$50,000.00 for damage to property. Such insurance shall cover all risks arising directly or indirectly out of Purchaser's activities on or any condition to 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 person. 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 ten (10) days written notice to Seller.

**6.3 Application of Proceeds.** All proceeds of any insurance on the Property shall be paid and held by Purchaser to restore the Property. Purchaser shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Seller. Satisfactory proof of expenditure shall be provided to Seller.

**Section 7. Covenants of Seller.**

**7.1 Covenants of Title.** Seller warrants that Seller is the owner of good and marketable title to the property free of all liens and encumbrances and will defend such title from the lawful claims of persons claiming superior title, with the exception of the Home Equity Line of Credit with Frist Community Credit Union.

**7.2 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.

**7.3 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.

**7.4 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.

**7.6 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.

**7.7 Nonforeign Status.** Seller is not a "Foreign Person" as defined in Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended.

**7.8 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 Purchaser AS IS, except such warranties as may arise by law under the Deed.

**7.9 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 title to the Property.

## **Section 8. Title Insurance.**

Seller shall furnish a purchaser's title insurance policy in the amount of \$300,000 within 30 days of payment in full, insuring Purchaser against loss or damage sustained by Purchaser by reason of 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 9. 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 statutory warranty deed conveying the property free and clear of all liens and encumbrances, except those referred to herein and all liens and encumbrances suffered by or placed upon the Property by Purchaser subsequent to the date of this Contract.

## **Section 10. Default.**

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

- (1) Failure of Purchaser to make any payment within ten (10) days after it is due.
- (2) Any default under the Prior Lien attributable to Purchaser.
- (3) Failure of Purchaser to perform any other obligations contained in this Contract within twenty (20) days after notice from Seller specifying the nature of the default or, if the default cannot be cured within twenty (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 sent a notice to Purchaser concerning default in the performance of the same Contract provision.
- (4) 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 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.
- (5) 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.

**10.2. 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 the 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 fifteen (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 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 of the Income from the Property, whether now or hereafter due. Before default, Purchaser may operate and manage the Property and collect 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.

**10.3 Remedies not Exclusive.** The remedies provided above shall be nonexclusive and in addition to any other remedies provided by law.

#### **Section 11. 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 12. Successor Interests.**

This contract shall be binding upon and inure to the benefit of the parties, their successor, heirs and assigns.



### **Section 13. 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 14. Notice.**

Any notice in 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 15. 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 16. Costs and Attorney Fees.**

#### **16.1 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 non-defaulting party.

#### **16.2 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 post-petition 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 cost of transcription; costs incurred in searching records and the costs of title reports or surveyor's reports.

### **17. 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, the 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.

**18. 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.

**19. Condition of Property.**

Purchaser accepts the land, buildings, improvements and all other aspects of the Property as is.

**20. Memorandum of Contract.**

On the Closing Date the parties shall cause a memorandum of this contract to be recorded 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 PARCELS 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 memorandum to be executed as of the day and year first above written.

Seller:

Pamela Young  
Pamela Young

Purchaser:

Cody Traylor  
Cody Traylor

Purchaser:

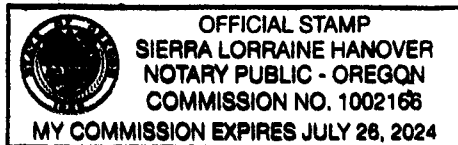
Tanaya Young  
Tanaya Young

STATE OF OREGON )

) ss.

County of Klamath )

Personally appeared the above-named PAMELA YOUNG, on 9/22/22, 2022, and acknowledge the foregoing instrument to be her voluntary act and deed.



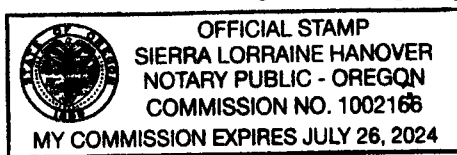
[Signature]  
Notary Public for Oregon  
My Commission Expires: 7/26/24

STATE OF OREGON )

) ss.

County of Klamath )

Personally appeared the above-named CODY TRAYLOR on 9/22/2022, 2022, and acknowledge the foregoing instrument to be his voluntary act and deed.



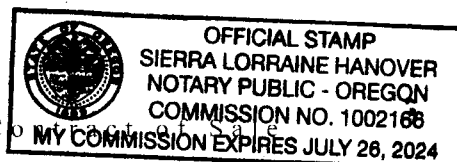
[Signature]  
Notary Public for Oregon  
My Commission Expires: 7/26/24

STATE OF OREGON )

) ss.

County of Klamath )

Personally appeared the above-named TANAYA YOUNG on 9/22/2022, 2022, and acknowledge the foregoing instrument to be his voluntary act and deed.



[Signature]  
Notary Public for Oregon  
My Commission Expires: 7/26/24