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THIS AGREEMENT, Made and entered into this 1st day of October, 1969, by and between LeVonne Allison, a single woman, hereinafter called Seller, and Walter Grace and Mary Grace, husband and wife, hereinafter called Buyers,

WITNESSETH:

That the Sellers agree to sell to Buyers and Buyers agree to buy from Seller all of the following described property situate in Klamath County, Oregon, to-wit:

Beginning at a point which is 30 feet North and 212 feet Twp.36 S. R. 12 E.W.M.; thence due East along the State Highway, 132 feet; thence, due North 132 feet; thence West 116 feet; thence North 198 feet; thence West 16 feet; thence South 330 feet to the point of beginning. EXCEPTING THEREFROM the following: A seven-foot strip of land situated in said Lot 29, in the SWt of SWt of Sec. 14, Twp.36 S. R. 12 E.W.M., more particularly described as follows: Beginning at an iron pin located North a distance of 30.0 feet and East a distance of 344.0 feet from the iron pipe marking the Southwest corner of said Sec. 14; thence North a distance of 132.0 feet to an iron pin; thence West a distance of 7.0 feet to an iron pin; thence South a distance of 132.0 feet to an iron pin; thence East a distance of 7.0 feet, more or less, to the point of beginning.

PARCEL NO. 2: Beginning at the Southwest corner of the SW\2SW\2012of Sec.14, Twp. 36 South, Range 12 E.W.M.; thence East 228 feet; thence North 162 feet to the place of beginning; thence North 198 feet; thence East 109.4 feet; thence South 198 feet; thence West 109.4 feet to the place of beginning in SW\2SW\2, Sec. 14, Twp.36 S. R. 12 E.W.M.,

TOGETHER WITH all of the equipment, furnishings and fixtures now used by Seller in the operation of that certain grocery business known as BEATTY STORE at Beatty, Klamath County, Oregon, which said personal property is more particularly described in Exhibit A attached hereto and by this reference made a part hereof.

AND TOGETHER with the assumed business name "Beatty Store".

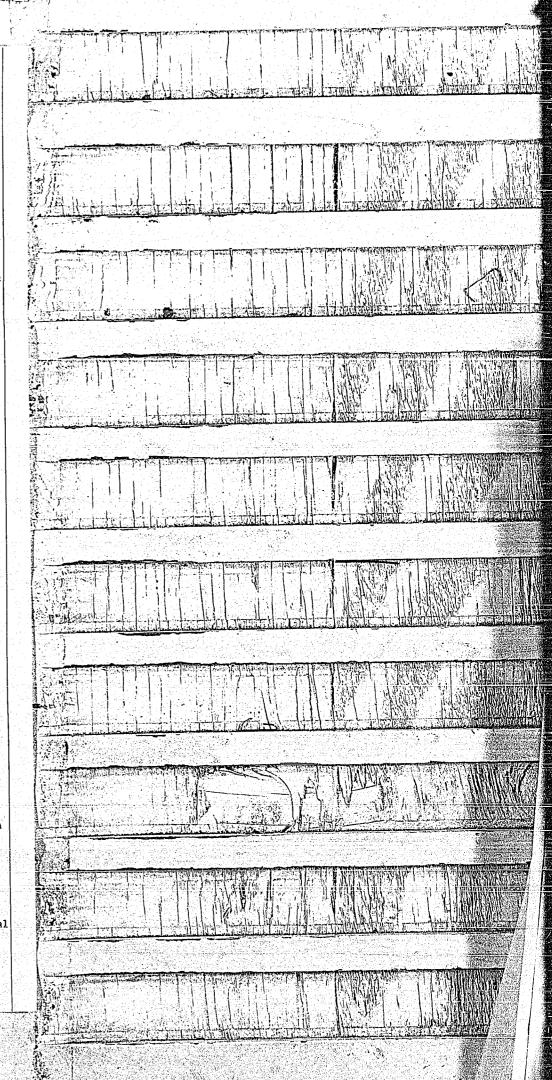
SUBJECT TO; Personal property taxes which became a lien January 1, 1969, and to real property taxes for current fiscal year, which shall be prorated as of October 15, 1969,

at and for a total purchase price of \$29,900.00, payable as follows, to-wit: \$1000.00 at the time of the execution of this agreement, receipt of which is hereby acknowledged, and the balance of \$28,900.00 payable as hereinafter set forth:

It is agreed that the stock in trade is not included in the above purchase price. The parties shall, on execution hereof, take inventory of the stock in trade, and the same shall be valued at the retail value thereof at the store, less 20%. Buyers shall pay Seller in cash for such stock in trade. Buyers shall concurrently pay Seller an amount equal to the difference between \$14,000.00 and the price paid for the stock in trade as balance of the initial

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payment on this contract, and such amount shall be endorsed on the margin of this contract and initialed by the parties.

The then unpaid balance, with interest at the rate of 64% per annum from October 15,1969, shall be payable in monthly installments as follows: \$400.00 January 1,1970, and \$400.00 on the 1st day of every month thereafter until January 1, 1971, when the Buyers shall pay an amount sufficient to reduce the unpaid balance to \$17,000.00, following which the monthly payments shall be \$175.00 for one year; then \$200.00 per month for two years, and then \$225.00 per month until the entire purchase price and the interest shall have been fully paid. All of said payments shall be inclusive of the accruing interest. Any part or all may be prepaid on any installment payment date after January 1,1970.

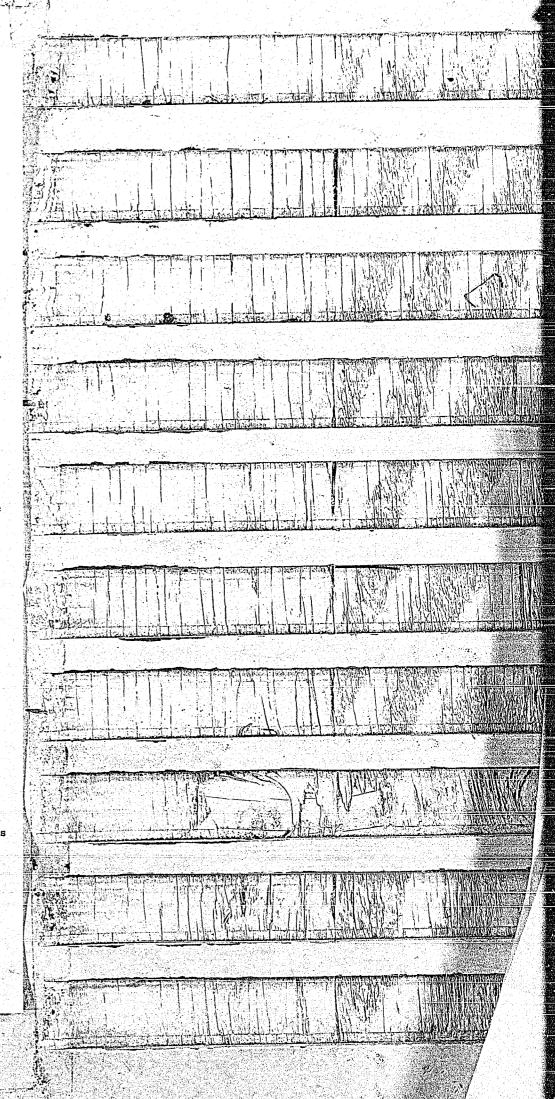
As between the parties it is agreed that the purchase price shall be allocated \$8000.00 to the furniture and fixtures, and \$21,900.00 to the realty.

It is agreed that Seller is purchasing said properties under contract of sal from one Ada Vernieth Schmieg, which contract, with deed of conveyance and bill of sale is in escrow at Transamerica Title Insurance Company at Klamath Falls, Oregon, and that Buyers are not assuming said contract, and that Seller shall pay all installments thereon as the same become due; provided, however, that any prepayment hereunder which will reduce the unpaid balance hereunder to an amount less than the unpaid balance on said Schmieg contract shall be applied thereon.

II

Buyers covenant and agree as follows: That they will make said payments promptly on the dates above named to the order of Seller, LeVonne Allison, at Transamerica Title Insurance Company at Klamath Falls, Oregon; that they will keep all of said real and personal property insured for the full amount of their insurable value in companies approved by Seller, with loss payable to the parties as their interests may appear. Said policies shall be held by original seller Ada Vernieth Schmieg, until this agreement has been completely performed, but with copies thereof furnished the parties hereto; that they will pay regularly and seasonably as the same shall become payable and before same shall become delinquent, all taxes,

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assessments, liens and incumbrances of every nature and kind; that they will not suffer or permit any of saidproperty to become subject to any taxes, assessments, liens, charges or incumbrances whatsoever having precedence over the rights of Seller in and to said property.

III

Seller covenants and agrees as follows: That said real and personal property are free and clear of all liens and incumbrances except the taxes above mentioned and said Schmieg contract; that she has good right to sell the same to Buyers and that she will furnish Buyers with good and sufficient bulk sales affidavit that she has no creditors whatsoever/ Seller covenants and agrees to indemnify and hold Buyers harmless with respect to any and all indebtedness of Seller.

It is expressly understood and agreed that this is a conditional sales agreement and that full title to all of said real and personal property, including said assumed business name, shall remain in Seller until said balance and interest are paid in full. It is further understood and agreed that any and all equipment, furnishings, fixtures and inventory of merchandise which may at any time hereafter be placed upon said premises by Buyers, and also the present inventory shall become subject to the lien of this agreement as further security to the Seller for the payment and performance of this agreement.

PROVIDED, HOWEVER, that nothing contained in this Paragraph IV shall be construed as to prohibit Buyers from selling said inventory in the regular course of business, and it is expressly understood and agreed by and between Buyers and Seller that Buyers may sell said inventory in the regular course of business, and Buyers covenant that they will promptly replace sold items and at all times maintain an inventory of not less than \$9000.00.

It is expressly understood and agreed that upon the execution of this agreement Seller shall make and execute in favor of Buyers a good and sufficient Warranty Deed conveying said premises free and clear of all liens and incumbran-31 ces, and a good and sufficient Bill of Sale conveying said personal property, free and clear of all liens and incumbrances, except said taxes, and that Buyers

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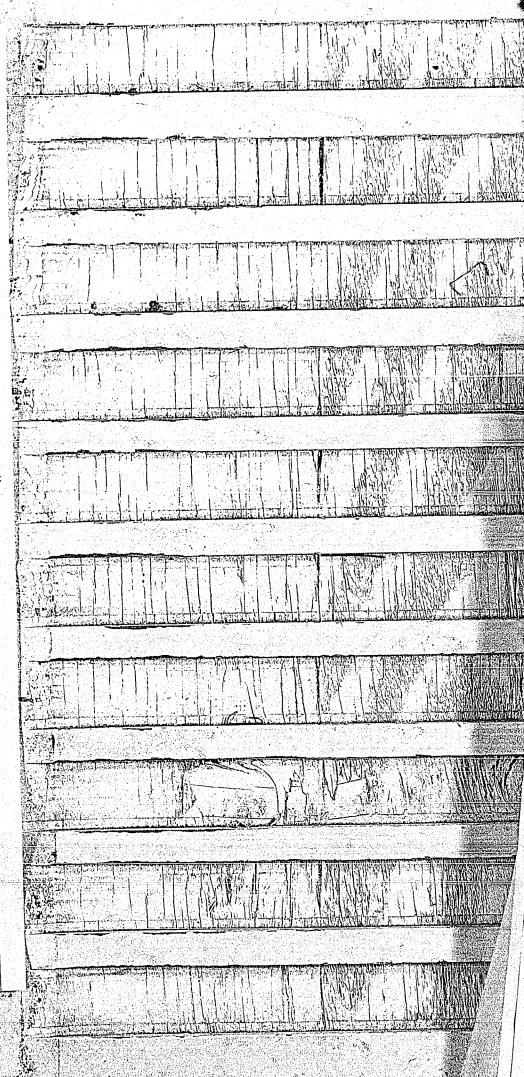
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shall execute in favor of Sellers their certificate of withdrawal of the assumed business name, Beatty Store, and that said Deed, Bill of Sale, Termination of Financing Statement and Certificate of Withdrawal shall be placed in escrow with Transsmerica Title Insurance Company at Klamath Falls, Oregon, and that Seller and Buyers shall enter into written escrow instructions with said escrow holder instructing it that when and if Buyers shall have paid said balance of said purchase price and interest in full, it shall deliver all of said instruments to said Buyers, but if Buyers shall become delinquent in any installment or interest due under this agreement for more than 30 days, said instruments are to be returned to Seller, or her order, upon written demand for same, thereby terminating this escrow.

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The real and personal property taxes and the insurance currently in force and effect on the premises will be pro-rated by and between Seller and Buyers at of October 15, 1969.

Buyer shall be entitled to possession of said said real and personal property on or about October 15, 1969.

Seller shall record her certificate of withdrawal of assumed business name of Beatty Store forthwith upon transfer of possession of said property to Buyers.

PROVIDED ALWAYS, that time and the full and prompt observance of an compliance with all of the covenants and agreements herein contained are of the essence of this agreement, and if Buyers shall fail, refuse or neglect for a period of 30 days to pay any of said installments or any of said interest, promptly as the same becomes due, or shall fail to keep or perform any of the covenants and agreements herein contained, then all of the rights of Buyers in and to said property and under this agreement shall, at Selier's option, immediately and utterly cease and determine, and the property herein described shall revert to and revest in Seller, without any declaration of forfeiture or act of re-entry or without any other act by Seller to be done or performed and without any right of Buyers of reclamation or compensation for money paid or for improvements made on said property as fully, perfectly and absolutely as if this agreement had never been made, and all money theretofore paid to Sellers under this agreement

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shall thereupon be forfeited without process of law and shall be retained by and belong to Seller as the accrued and reasonable rent of said property from this date to the time of such forfeiture and the liquidated damages to Seller for Buyers' failure to complete this agreement, and in such case the escrow holder is instructed to deliver said deed, bill of sale, termination of financing statement and certificate of withdrawal of assumed business name, to the Seller, upon demand for same, without notice to Buyers. In case suit or action is taken to enforce any provisions of this agreement Buyers agree to pay, in addition to the costs and disbursements provided by law, such sum as the Court may adjudge reasonable for Seller's attorney's fees, including any

PROVIDED, FURTHER, That the personal property herein sold is subject to terms and provisions of Uniform Commercial Code of the State of Oregon, and that all of the terms herein, the rights, duties and remedies of the parties, shall be governed by the laws of Oregon. That Seller's address is c/o Ailene LaFollette, 861 East Base Line Road, Hillsboro, Oregon . That Buyers' address is Beatty, Klamath County, Oregon. That each demand, notice or other communication shall be served or given by mail or telegram addressed to the party at their mailing address set forth herein, or by personal service upon the party. Reasonable notice, when notice is required, shall be five days. Buyers agree to join with Sellers in executing and filing a financing statement as required by said Uniform Commercial Code to protect and continue Seller's security interest.

IN WITNESS WHEREOF, The parties hereto have executed this agreement the day and year first hereinabove written.

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6819 FORM NO. 23 -- ACKNOWLEDGMENT STATE OF OREGON, County ofKlamath BE IT REMEMBERED, That on this 29 44 before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within Walter Grace and Mary Grace known to me to be the identical individual s described in and who executed the within instrument and acknowledged to me that they ... executed the same freely and voluntarily. IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written. Notary Public for Oregon.

My Commission expires // 25 / 72 In thirthest whence, the parties because have executed this agree our the day 50 STATE OF OREGON; COUNTY OF KLAMATH; ss.
Transamerica Title Co. day of June A. D., 1971 at 3:45 o'clock P. M., and duly recorded in Deeds M-71 of on P&814 WM.D. MILNE County Clerk 900 18 ration statt be served or gloca by sail or released acted and the party at is Beaily, Michael County, Ovegon. That such dessai, notice or ester coursel-JA: . That dupers' shires Laffolderce, 301 East Suse Cing Sand, Milispord, Grogon 38 enert de Severice by the land of tragent. That Seller's address to che allene 33 chan all of the tress herein, the rights, during and remedent of the parties, Tr torms and provisions of Uniform Commons \$1 cade of the State of Orapon, and 13 PROVIDED, Wallung, That the personal property berein sold is subject to 13 77 winbout. the dough any adjudge meastrable for Beller's attorney's face, tecluding any TO pay, in addition to the cases and district provided by the analysman and or wellow is taken to suffree any provisions of this agreems fugers agree to to the Scillery open depend for same, without notine to deyears. In case want ates etrinopol and actilitions of althoropal of assured business name. bolder in Unrighted to deliver outd deed, bill of sale, termination of though 0 I'm Fryers' faithers to complote this agreement, and in such case the sactou this fate to the time of much forfattore and the lightfathe damages to faller and belong to believe as the seconded and resemblis rone of asid property from shalt thereuges be forfelted sithaut process of law and shall be retained by 6818