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Regan

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CONTRACT OF SALE AND SECURITY AGREEMENT

DATE THIS AGREEMENT, Made in triplicate the 15th day of
 SELLER March, 1972, by and between ERNEST F. REGAN, hereinafter
 BUYERS called Seller, and H. L. SHARP and JEFFA D. SHARP, husband
 and wife, hereinafter called Buyers,

WITNESSETH:

AGREEMENT Seller hereby agrees to sell to Buyers, and the latter
 hereby agree to buy from the former, the following described
 real and personal property situated in Klamath County, Oregon:

DESCRIPTION: REAL PROPERTY:

Lots 17 and 18, Block 53, City of Malin, according
 to the duly recorded supplemental plat thereof on
 file in the office of the County Clerk of Klamath
 County, Oregon,

SUBJECT TO: liens of the City of Malin, if any;
 easements and rights of way of record or apparent
 on the land; and 1972-73 and subsequent taxes.

PERSONAL PROPERTY:

1 oil furnace	2' x 6.5' Kitchen work table
7 Mirrors	Westinghouse 375 lb. Freezer
1 Glass Counter	Motorola Model 21T23 Television
2 Cash Registers	set
1 Safe	12 Bar Stools
1 Beer Cooler 6'	2 Booths
1 Gas Range	1 Marvelaire room cooler
1 Walk-in cooler	1 Oil Stove E.F. Regan J.D.
1 Cigar Case	
1 Cigarette Case	
1 Stainless Steel Sink (washing glasses)	
1 3-Compartment Stainless Steel Sink	
1 Back Bar	
1 Bar	
1 Draft Beer Case, 10'	
12 Fluorescent Lights	
1 Stainless Steel Range & Steam Table	
Unit	
The name of Malin Inn	

PRICE The total agreed purchase price is the sum of \$18,500.00,
 apportioned \$15,000.00 to real property and \$3,500.00 to
 EARNEST MONEY personal property, \$1,000.00 of which has been paid as earnest
 DOWN money to W. O. Brickner, Attorney at Law, Merrill, Oregon.
 Buyers agree to pay an additional \$4,000.00 down upon approval
 of transfer of the liquor licenses in connection with The
 Malin Inn from Seller to Buyers. Buyers agree to pay the
 INTEREST balance of \$13,500.00 plus interest on deferred principal thereof
 at the rate of 6% per annum from date of taking possession
 MONTHLY of said property, until paid, in monthly installments of not
 INSTALLMENTS less than \$150.00 per month including interest, with the first
 payment to become due one month from Buyers' taking possession
 of said property.

SELLER FURTHER AGREES TO DO THE FOLLOWING:

POSSESSION 1. Give Buyers possession of said property upon transfer
 of said liquor licenses and approval of said
 premises by the Oregon State Liquor Control Board,

WILBUR O. BRICKNER
 ATTORNEY AT LAW
 MERRILL, OREGON

it being agreed that this sale is subject to such transfer and approval. In the event such transfer and approval is not made within a reasonable time, all earnest money shall be refunded to Buyers except for one-half of attorney's fee and actual costs to date.

**TITLE
INSURANCE**

2. Furnish Buyers with and pay the premium for a purchasers' policy of title insurance in the amount of \$15,000.00, subject only to the standard exceptions of Transamerica Title Insurance Company, and the exceptions shown in the above description of real property.

EXECUTE DEED

3. Execute a good and sufficient deed in Warranty form conveying said real property to Buyers as tenants by the entirety, and a Bill of Sale to said personal property, and to deposit said deed and Bill of Sale in escrow with First National Bank of Oregon, Merrill Branch, with instructions to deliver the same to Buyers upon payment of said purchase price as herein provided.

**PAY HALF OF
COSTS**

4. Pay for one-half the attorney's fee, recording fees, filing fees and escrow charges in connection with this sale.

BUYERS FURTHER AGREE TO DO THE FOLLOWING:

**MAKE PAYMENTS
PROMPTLY**

1. Make all payments called for herein promptly, time being in all respects of the essence of this agreement.
2. Promptly pay all taxes, assessments and insurance premiums accruing against said property subsequent to date of taking possession of said property; and promptly pay all indebtedness incurred by their acts which may become a lien against said real or personal property.
3. Not to commit nor permit any strip or waste to said property; to keep the property in as good repair as the same now is in, usual wear and tear and damage by fire excepted; and not to make any alterations to the buildings on the land which would lessen the value thereof.

FIRE INSURANCE

4. Keep the buildings on the land insured against loss by fire for not less than their full insurable value or the balance due under this contract, whichever sum is smaller, with loss payable to Seller and Buyers as their respective interests may appear.

**PAY FOR HALF
OF COSTS**

5. Pay for one-half the attorney's fee, recording fees, filing fees and escrow charges in connection with this sale.
6. Upon taking possession of said property, to pay Seller in cash for the stock merchandise as inventoried by Seller and Buyers.

**EXECUTE FINAN-
CING STATEMENT**

7. Execute and deliver to Seller a financing statement covering said personal property.

Seller agrees to leave in the washroom of The Malin Inn one General Electric Filter-Flo washing machine and one General Electric automatic clothes drier. It is agreed that Seller is retaining ownership of said machine and shall have the right to remove the same at any time. Until such time as the same are removed from said premises, it is agreed that they may be used both by Seller and Buyers.

Should Buyers fail to keep the premises clear of past due taxes, liens, assessments or other charges imposed against said real property, or should they fail to keep the buildings insured against loss by fire, as herein provided, Seller may at his option, without notice and without waiver of such default, pay such taxes, liens or assessments or insurance premiums, or any part thereof; and any payments so made by Seller shall become immediately due and payable by Buyers and shall bear interest at the rate of 9% per annum until refunded.

Should Seller fail to satisfy any liens or encumbrances against said property as herein provided, Buyers shall have the option to satisfy the same and deduct such sums as they are required to pay for such satisfaction from the purchase price herein.

Should any of the buildings on the land be damaged or destroyed by fire, Seller at his option shall be entitled to receive the proceeds from any insurance policy thereon in that proportion which the unpaid balance of the purchase price herein bears to the total said purchase price.

Should Buyers fail to perform any of the terms of this agreement, time of payment and performance being of the essence, Seller shall have, subject to the requirements of notice as herein provided, the following rights: (a) to foreclose this contract by strict foreclosure in equity; (b) to declare the full unpaid balance of the purchase price immediately due and payable; (c) to specifically enforce the terms of this agreement by suit in equity; or (d) to declare this agreement null and void as of the date of the breach of contract and to retain as liquidated damages the amount of any payments theretofore made under this contract. If Seller elects to declare this agreement null and void, all of the right, title and interest of Buyers shall revert to and revest in Seller without any act of re-entry or without any other act by Seller performed; and Buyers agree in such event to peaceably surrender the premises to Seller, and in default of such delivery, Buyers at the option of Seller may be treated as a tenant holding over unlawfully after the expiration of a lease, and may be ousted and removed as such.

Buyers shall not be deemed in default for failure to perform any covenant or condition of this contract, including failure to make payment as herein provided, until notice of such default has been given to them by Seller and Buyers shall have failed to remedy such default within 30 days after such notice is given. Notice for this purpose shall be deemed to have been given upon the deposit in the mails of a certified letter containing said notice and addressed to Buyers at Malin, Oregon 97632.

In the event that suit or action be instituted by either party to enforce any rights under this contract or for any matters in any way arising out of this contract, including appeals to appellate courts, it is agreed that the prevailing party in such suit or action shall recover in addition to costs and disbursements such further sum as to the Court may seem reasonable as attorneys fees.

IN WITNESS WHEREOF, said parties hereunto set their hands.

Ernest F. Regan
Ernest F. Regan

H. L. Sharp
H. L. Sharp

Jeffa D. Sharp
Jeffa D. Sharp

STATE OF OREGON)
) ss
County of Klamath)

On this 30th day of March, 1972, before me, Wilbur O. Brickner, a Notary Public for Oregon, personally appeared Ernest F. Regan and H. L. Sharp and Jeffa D. Sharp, husband and wife, and acknowledged the foregoing instrument to be their voluntary act and deed.

Wilbur O. Brickner
Notary Public for Oregon
My comm. expires Oct. 29, 1975

STATE OF OREGON, }
County of Klamath } ss.

Filed for record at request of:

WILBUR O. BRICKNER

on this 20th day of APRIL A. D. 19 72
at 11:28 o'clock A. M. and duly
recorded in Vol. M 72 of DEEDS
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WM. D. MILNE, County Clerk

By Glenn D. Merrill
Fee \$8.00 Deputy.