

CONTRACT OF SALE

This contract of purchase and sale, made and entered into this 16 day of October, 1972, by and between GEORGE BLANAS and HELEN G. BLANAS, husband and wife, hereinafter called FIRST PARTY, and ARCADE HOTEL, INC., an Oregon Corporation, hereinafter called SECOND PARTY, and RALPH WILLIAM ALMETER and HELEN ZETTA ALMETER, husband and wife, and HELEN L. WOLLINGTON, a single woman, hereinafter called PURCHASER.

WHEREAS, FIRST PARTY is the owner at the following described real property situated in the County of Klamath, State of Oregon, as follows:

The Easterly 15 feet of Lot 3, and the Westerly 45 feet of Lot 2 in Block 49 of NICHOLS ADDITION to the City of Klamath Falls,

which parcel shall hereinafter be known as PARCEL I, and

WHEREAS, SECOND PARTY is the owner of all the following described real property; which said real property is situated in the County of Klamath, State of Oregon described as follows:

The Easterly 20 feet of the Northerly 113 feet of Lot 10, Block 49, and the Westerly 13 feet of the Northerly 113 feet of Lot 11, Block 49 in NICHOLS ADDITION to the City of Klamath Falls,

and

The Westerly 13 feet of the Southerly 113 feet of Lot 1, Block 49, and the Easterly 20 feet of the Southerly 113 feet of Lot 2, Block 49 in NICHOLS ADDITION to the City of Klamath Falls,

together with all right, title and interest of SECOND PARTY to the Inventory of Personal Property, hereinafter described,

which parcel shall hereinafter be known as PARCEL II, and

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1 WHEREAS, PURCHASER is desirous of purchasing PARCEL
2 I from FIRST PARTY and PARCEL II from SECOND PARTY, and all of
3 the parties hereto desire that the sale be pursuant to a single
4 contract of sale so that neither PARCEL I nor PARCEL II can be
5 separately released from the Vendor's lien created by this con-
6 tract, therefore,

7 W I T N E S S E T H:

8 PURCHASE PRICE AND ALLOCATION:

9 FIRST PARTY agrees to sell to PURCHASER and PURCHASER
10 agrees to buy from FIRST PARTY the real property hereinabove
11 described as PARCEL I, at and for a purchase price of Twelve
12 Thousand and No/100 Dollars (\$12,000.00), and SECOND PARTY agrees
13 to sell to PURCHASER and PURCHASER agrees to buy from SECOND PARTY,
14 the real property described as PARCEL II at and for a price of
15 Thirty-Five Thousand and No/100 Dollars (\$35,000.00).

16 The purchase price for said parcels shall be payable
17 and shall be allocated between FIRST PARTY and SECOND PARTY as
18 follows:

19 (1) The sum of \$10,000.00 has been paid contemporaneously
20 with the execution of this agreement of which the sum of \$2,500.00
21 shall be allocated to FIRST PARTY and the sum of \$7,500.00 shall
22 be allocated to SECOND PARTY; The balance of the total purchase
23 price, being the sum of \$37,000.00, with interest thereon at the
24 rate of five (5) percent per annum from the first day of October,
25 1972, shall be payable in monthly installments of \$250.00 per
26 month; the first of said installments is to be made on or before
27 the 1ST day of November, 1972, and a like payment to be made
28 on the 1ST day of each and every month thereafter until the
29 full balance and interest is paid.

30 (2) From said installments, the sum of \$60.00 shall
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1 be allocated to FIRST PARTY and the sum of \$190.00 shall be
2 allocated to SECOND PARTY.

3 RIGHTS SOLD AND VENDOR'S LIEN:

4 The real property above described hereby sold to
5 PURCHASER includes all and singular, the tenements, hereditaments,
6 rights, easements, privileges and appurtenances thereunto belong-
7 ing, or in anywise appertaining, improvements thereon, including
8 but not limited to the ARCADE HOTEL, located at 1032 Main Street,
9 Klamath Falls, County of Klamath, State of Oregon, and the ARCADE
10 HOTEL ANNEX, also located at 1032 Main Street, Klamath Falls, County
11 of Klamath, State of Oregon, and a certain parking lot located
12 between 10th and 11th streets on Klamath Avenue, Klamath Falls,
13 County of Klamath, State of Oregon, together with the reversions,
14 remainders, rents, issues and profits thereof. The Vendor's Lien
15 created by this agreement shall and does hereby include the real
16 property above described, together with all and singular, the
17 tenements, hereditaments, rights, easements, privileges and
18 appurtenances thereunto belonging or in anywise appertaining
19 and all improvements above described, or hereafter thereon, in-
20 cluding but not limited to the reversions, remainders, rents,
21 issues and profits thereof. In addition, PURCHASER hereby agrees
22 that the Vendor's Lien is superior to any and all rights of PUR-
23 CHASER under and by virtue of any homestead, stay or exemption
24 laws not in force, or which may hereafter become laws.

25 WARRANTY OF TITLE AND DESIGNATION OF ESCROW HOLDER:

26 FIRST PARTY and SECOND PARTY hereby warrant that they
27 and it have a good and merchantable title to the respective real
28 property above described, subject to the exceptions set forth
29 above; That FIRST PARTY and SECOND PARTY will upon execution hereof
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1 make and execute a good and sufficient Warranty Deed conveying
2 PARCEL I, and conveying PARCEL II, free and clear as of this date
3 of all encumbrances, and SECOND PARTY will execute a Bill of
4 Sale for the Inventory contained in Exhibit "A," attached hereto
5 and by this reference incorporated herein as if fully set out,
6 together with the original of this agreement, and any other con-
7 veyances or title or security instrument required hereby, in
8 escrow at FIRST NATIONAL BANK OF OREGON, KLAMATH FALLS BRANCH,
9 Sixth and Main Street, Klamath Falls, Oregon, with instructions
10 to said escrow holder that when and if the PURCHASER shall have
11 paid the balance of the purchase money, and interest, as above
12 specified and shall have complied with all other terms and con-
13 ditions of this agreement, to deliver the same to PURCHASER
14 subject to the usual printed conditions and provisions of the
15 standard form of escrow instructions provided by said escrow
16 holder.

17 All charges and expenses charged by the escrow holder
18 shall be the obligation of the FIRST PARTY and the SECOND PARTY
19 and shall be paid by them.

20 INVENTORY:

21 SECOND PARTY hereby warrants that it is the sole owner
22 of the personal property, marked Exhibit "A," and by this ref-
23 erence incorporated herein, and PURCHASER agrees that the title
24 to said inventory shall remain in the SECOND PARTY until the un-
25 paid contract has been paid.

26 TITLE INSURANCE:

27 FIRST and SECOND PARTY shall furnish at their and its
28 expense a title policy in the above described real property
29 insuring PARCEL I in the amount of \$12,000.00, and PARCEL II
30 in the amount of \$35,000.00, subject to the above set forth ex-
31 ceptions and the printed conditions and exceptions contained
32 in the usual form of title policy issued by said title insurance

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1 company and shall deposit said policy with the above-named
2 escrow holder to be held in escrow for delivery to PURCHASER
3 along with FIRST PARTY and SECOND PARTY'S Warranty Deeds and
4 Bill of Sale according to the terms herein specified.

5 POSSESSION OF PROPERTY AND PAYMENT OF TAXES:

6 PURCHASER shall be entitled to possession of the
7 above-described real property and the items of furniture as
8 set forth in Exhibit "A," on the first day of October, 1972.
9 PURCHASER shall remain in possession so long as PURCHASER is
10 not in default hereunder. PURCHASER shall and hereby agrees to
11 keep said real and personal property in clean, sanitary, sightly,
12 attractive condition; to commit no waste or otherwise damage or
13 injure said premises; to maintain said premises in accordance with
14 the laws and the ordinances and regulations of any consituted
15 authority applying to said premises and to make up no unlawful
16 use thereof; to pay regularly and seasonably, and before the
17 same shall become delinquent, all taxes, assessments and charges
18 of whatever nature, including additional charges by reason of
19 change of use, levied and assessed against said real and personal
20 property, and to pay and discharge all encumbrances thereafter
21 placed thereon by PURCHASER; to permit no lien or other encumbrances
22 to be filed upon or placed against said premises without the
23 written consent of FIRST PARTY or SECOND PARTY; and it is further
24 understood and agreed for the purposes of this provision that if
25 PURCHASER fails to pay or discharge any taxes, assessments, liens,
26 encumbrances or charges, FIRST PARTY or SECOND PARTY at their or
27 its option and without waiver of default or breach of PURCHASER,
28 and without being obligated to do so, may pay or discharge
29 all or any part thereof, all of which said sums so paid by FIRST
30 PARTY or SECOND PARTY shall become repayable by PURCHASER, together
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1 with interest at the rate of ten (10) percent per annum, upon
2 demand, payment of which is part of the performance of this
3 agreement by PURCHASER and a condition precedent to delivery
4 of the Warranty Deeds and Bill of Sale and other documents by
5 the escrow holder.

6 PURCHASER agrees to keep the buildings and personal
7 property now on or hereafter placed upon the above described
8 real property insured against loss by fire or other casualty
9 in an amount not less than their insurable value and shall obtain
10 at his expense, said insurance in the name of SECOND PARTY
11 as the primary insured, with an endorsement thereon providing
12 for loss payable to SECOND PARTY, and PURCHASER as his respective
13 interest may appear. If a loss should occur for which insurance
14 proceeds shall become payable, the PURCHASER may elect to either
15 rebuild or repair the portion of the building so destroyed, or
16 in the case of personal property, to replace said personal pro-
17 perty, or apply the proceeds to payment of the then unpaid balance
18 of the purchase money. If the PURCHASER elects to apply the in-
19 surance proceeds toward payment of this contract, any amount
20 received by SECOND PARTY under any such insurance in payment
21 of a loss shall be applied upon the unpaid principal balance
22 of the purchase price and shall reduce said unpaid principal
23 balance to the extent of the amount of the insurance payment re-
24 ceived by SECOND PARTY.

25 RIGHTS OF THE PARTIES IN THE EVENT OF GOVERNMENTAL AGENCY
26 EXERCISING POWER OF EMINENT DOMAIN:

27 In the event any governmental agency or entity
28 having the power of eminent domain acquires by eminent domain,
29 or by negotiated sale in lieu of eminent domain, all or any
30 portion of the real property described in this contract, FIRST

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1 PARTY or SECOND PARTY may require PURCHASER to apply all pro-
2 ceeds received by PURCHASER from such acquisition, remaining
3 after payment by PURCHASER of attorney fees, appraiser fees
4 and related necessary and reasonable costs in connection with
5 securing said proceeds, which proceeds are hereinafter called
6 "net proceeds," toward the payment of the sums secured by this
7 contract. Upon receipt of said net proceeds, PURCHASER shall
8 notify FIRST PARTY and SECOND PARTY of the amount of said
9 net proceeds and FIRST PARTY or SECOND PARTY shall, within ten
10 (10) days after such notification, notify PURCHASER in writing
11 if FIRST PARTY or SECOND PARTY elects to have said net proceeds
12 applied toward payment of the sums secured by this contract. If
13 FIRST PARTY or SECOND PARTY fails to so notify PURCHASER of
14 such election, FIRST PARTY and SECOND PARTY shall conclusively
15 be deemed to have elected not to require PURCHASER to apply
16 said net proceeds toward the sums secured by this contract. If
17 FIRST PARTY or SECOND PARTY elects to have said net proceeds
18 applied toward payment toward the sums secured by this contract,
19 the amount to be received by FIRST PARTY or SECOND PARTY shall
20 not exceed the total of the principal plus accrued interest
21 to the date of receipt thereof by FIRST and SECOND PARTY, and
22 all such sums shall be paid to the escrow holder named herein.
23 Regardless of whether FIRST PARTY or SECOND PARTY elects to
24 have said net proceeds applied to the sums secured by this con-
25 tract, FIRST PARTY and SECOND PARTY will join in any conveyance
26 required by the governmental agency or entity acquiring a por-
27 tion or all of the real property described herein by eminent
28 domain, but FIRST PARTY or SECOND PARTY shall not be required to
29 partially convey more property than that which is acquired by
30 such governmental agency or entity. FIRST PARTY or SECOND PARTY
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1 shall not be obligated to participate in any negotiations with
2 such governmental agency or entity. Any notice or notices
3 required to be given by PURCHASER to FIRST PARTY or SECOND
4 PARTY pursuant hereto shall be in writing and shall be deemed
5 given when the same is deposited in the United States Mail, as
6 certified mail, postage prepaid, addressed to FIRST PARTY and
7 SECOND PARTY at the last address of FIRST PARTY and SECOND PARTY
8 shown on the records of the escrow holder.

9 RIGHT OF FIRST PARTY OR SECOND PARTY TO APPEAR AND DEFEND
10 SPECIFIC LEGAL PROCEEDINGS:

11 FIRST PARTY or SECOND PARTY may appear in or defend
12 any action or proceeding at law, in equity or in bankruptcy,
13 affecting in any way the security hereof, and in such event
14 FIRST PARTY or SECOND PARTY shall be allowed and paid, and
15 PURCHASER hereby agrees to pay all costs, charges and expenses,
16 including costs of evidence of title or validity and priority
17 of the security and attorney's fees in a reasonable sum, incurred
18 in any such action or proceeding in which FIRST PARTY or SECOND
19 PARTY may appear, which shall bear interest at ten (10) percent
20 from date of demand therefor. Failure of PURCHASER to pay FIRST
21 PARTY or SECOND PARTY for such costs, charges and expenses within
22 ninety (90) days from date of demand thereof shall constitute
23 a breach of this contract.

24 DEFAULT:

25 If PURCHASER shall fail to perform any of the terms
26 of this agreement, time of payment and performance being of the
27 essence, FIRST PARTY or SECOND PARTY at their or its option, sub-
28 ject to the requirements of notice as herein provided, have
29 the following rights:

- 30 (A) To foreclose this contract by strict
31 foreclosure in equity;

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- 1 (B) To declare the full unpaid balance
2 of the purchase price immediately due
3 and payable;
4 (C) To specifically enforce the terms of this
5 agreement by suit in equity; and
6 (D) To declare this agreement null and void as
7 of the date of the breach and to retain as
8 liquidated damages the amount of the payments
9 heretofore made upon said premises. Under
10 option (D), all of the rights, title and
11 interest of PURCHASER shall revert and revert
12 in FIRST PARTY and SECOND PARTY without any
13 act of re-entry or without any other act by
14 FIRST PARTY or SECOND PARTY to be performed,
15 and PURCHASER May, at the option of FIRST PARTY
16 and SECOND PARTY be treated as a tenant holding
17 over unlawfully after the expiration of a
18 lease and may be ousted and removed as such.

12 PURCHASER shall not be deemed in default for failure
13 to perform any covenant or condition of this contract, other
14 than the failure to make payments as provided for herein, until
15 notice of said default has been given by FIRST PARTY or SECOND
16 PARTY to PURCHASER and PURCHASER shall have failed to remedy said
17 default within thirty (30) days after the giving of the notice.

18 If PURCHASER shall fail to make payments as herein
19 provided and said failure shall continue for more than thirty (30)
20 days after the payment becomes due, PURCHASER shall be deemed
21 to be in default and FIRST PARTY or SECOND PARTY shall not be
22 obligated to give notice to PURCHASER of a declaration of said
23 default.

24 When notice in writing is required by FIRST PARTY
25 or SECOND PARTY to PURCHASER, such notice shall be deemed given
26 when the same is deposited in the United States Mail as registered
27 mail, addressed to the last address of PURCHASER shown on the
28 records of the escrow holder.

29 NON-WAIVER OF BREACH:

30 No waiver by FIRST PARTY or SECOND PARTY of any breach

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1 of any covenant of this agreement shall be construed as a con-
2 tinuing waiver of any subsequent breach of such covenant nor
3 as a waiver of any breach of any other covenant nor as a waiver
4 of the covenant itself.

5 RIGHTS UPON FORECLOSURE:

6 In the event any suit or action is commenced to
7 foreclose this contract, the Court having jurisdiction of the
8 case may, upon motion by FIRST PARTY and SECOND PARTY, appoint
9 a receiver to collect the rents and profits arising out of the
10 above-described real property and to take possession, management
11 and control of the same during pendency of such foreclosure
12 proceeding or until payment of the obligations hereby secured,
13 and apply said rents and profits to the payment of the amount
14 due hereunder, first deducting all proper charges and expenses
15 attending the execution of said receivership.

16 Upon the commencement of any suit or action to
17 collect the indebtedness or disbursements, secured hereby, or
18 any part thereof, or to enforce any provision of this contract
19 by specific performance, foreclosure or otherwise, there shall
20 become due, and PURCHASER agrees to pay to the FIRST PARTY and
21 SECOND PARTY, in addition to all statutory costs and disburse-
22 ments, any amount FIRST PARTY and SECOND PARTY may incur or pay
23 for; any title report, title search, insurance of title or other
24 evidence of title subsequent to the date of this contract on
25 any of the real property above described and this contract shall
26 be security of the payment thereof.

27 ATTORNEY FEES:

28 In the event any suit or action is instituted to
29 collect the indebtedness or disbursements secured hereby, or
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1 any part thereof, or to enforce any provisions of this contract
2 by specific performance, or foreclosure or otherwise the pre-
3 vailing party, at trial or on appeal, shall be entitled to
4 such reasonable attorney's fees as shall be fixed by the Court
5 having jurisdiction of the case, in addition to statutory costs
6 and disbursements.

7 SCOPE OF AGREEMENT:

8 This agreement contains the full understanding of
9 the parties with respect to the subject hereof and no modifica-
10 tion hereof shall be given effect unless the same be in writing
11 subscribed by the parties hereto or their successors in interest.

12 This agreement shall bind and inure to the benefit
13 of, as the circumstances may require, the parties hereto and
14 their respective successors, heirs, executors, administrators
15 and assigns.

16 (In construing this agreement, the singular shall
17 include both the singular and the plural and the masculine both
18 the masculine and the feminine.)

19 IN WITNESS WHEREOF, the parties have caused this
20 agreement to be executed on the day and year first above written.

21 George Blanas
22 FIRST PARTY

Ralph W. Wadsworth
PURCHASER

23 Helen Blanas
24 FIRST PARTY

John J. G. G. G. G.
PURCHASER

25 ARCADE HOTEL, INC.

Allen L. Washington
PURCHASER

26 BY: George Blanas
(President) SECOND PARTY

27 BY: Helen Blanas
(Secretary) SECOND PARTY

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ARCADE HOTEL

INVENTORY (EXHIBIT "A")

ROOM NO.	BEDS	CHAIRS	TABLES	DRESSERS
1	1 Single	1	1	1
2	1 Double	2	1	1
3	1 "	2	1	1
4	1 "	2	1	1
5	1 "	2	1	1
6	1 "	2	1	1
7	1 "	2	1	1
8	1 "	2	1	1
9	1 Single	2	1	1
101	1 Double	2	1	1
102	1 "	2	1	1
103	1 "	2	1	1
104	1 "	2	1	1
105	1 "	2	1	1
106	1 "	2	1	1
107	1 "	2	1	1
108	1 "	2	1	1
400	1 Double	2	1	1
401	1 "	2	1	1
402	2 "	2	1	1
403	1 "	2	1	1
404	1 "	2	1	1
405	1 "	2	1	1
406	1 "	2	1	1
407	1 "	2	1	1
408	1 "	2	1	1
409	1 "	2	1	1
410	1 "	2	1	1
411	1 "	2	1	1
412	1 "	2	1	1
413	1 "	2	1	1
414	1 "	2	1	1
415	1 "	2	1	1
500	1 Double	2	1	1
501	1 "	2	1	1
502	2 "	2	1	1
503	1 "	2	1	1
504	1 "	2	1	1
505	1 "	2	1	1
506	1 "	2	1	1
507	1 "	2	1	1
508	1 "	2	1	1
509	1 "	2	1	1
510	1 "	2	1	1
511	1 "	2	1	1
512	1 "	2	1	1
513	1 "	2	1	1
514	1 "	2	1	1
515	1 "	2	1	1

CONTINUED.....

INVENTORY
(EXHIBIT "A")

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INVENTORY (EXHIBIT "A")
CONTINUEDARCADE HOTEL - ANNEX

ROOM NO.	BEDS	CHAIRS	TABLES	DRESSERS
109	1 Double	2	1	1
110	1 "	2	1	1
111	1 "	2	1	1
112	2 Single	2	1	1
113	1 Double	2	1	1
200	1 Double	2	1	1
201	1 "	2	1	1
202	1 "	2	1	1
203	1 Double and 1 Single	2	1	1
204	1 Double	2	1	1
300	1 Double	2	1	1
301	1 "	2	1	1
302	1 "	2	1	1
303	1 Single	1	1	(No Dresser)
304	1 Double	2	1	1
305	2 Single	2	1	1

LOBBY OF ARCADE
HOTEL

1 Radio
7 Chairs
2 Davenos
1 Television
1 Dalton Adding and Calculator Register
1 National Cash Register
1 Gary Safe, with wording "Arcade Hotel"

MISCELLANEOUS

140 Blankets
75 Bed Spreads
80 Window Blinds
150 Curtains

INVENTORY
(EXHIBIT "A")

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STATE OF OREGON, COUNTY OF KLAMATH, ss.
Filed for record at request of Transamerica Title Ins. Co.
this 17th day of Oct. A.D. 1972 at 3:32 clock P.M.
duly recorded in Vol. M72, of Miscellaneous on Page 11902

Fee \$26.00

Wm D. MILNE, County Clerk
By *Lucian Ar. Loh*