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Vol. <sup>m</sup> 12 Page 6999  
28-4631

CONTRACT OF SALE

THIS CONTRACT, made this 24th day of April, 1973, between HAROLD M. SLIGER and DOT-AM SLIGER, husband and wife, and TWO RIVERS ENTERPRISES, LTD., an Oregon corporation, hereinafter sometimes collectively called "Seller", and VEARL E. WOLF, hereinafter called "Buyer",

W I T N E S S E T H:

WHEREAS, Harold M. Sliger and Dot-Am Sliger are husband and wife and owners of real property located in Chiloquin, Oregon, known as Ray's Tavern, and

WHEREAS, Two Rivers Enterprises, Ltd. is the owner of certain personal property used in the operation of the tavern business, and

WHEREAS, Buyer desires to purchase the property of Seller according to the terms following:

That in consideration of the mutual covenants and agreements herein contained, the Seller agrees to sell unto the Buyer and the Buyer agrees to purchase from the Seller all of the following described lands and premises situated in Klamath County, State of Oregon, to-wit:

Lot 4 in Block 1 of the ORIGINAL TOWN OF CHILOQUIN, subject to power transmission and distribution easement and party wall agreement, both of record,

together with the inventory of personal property listed on Exhibit "A" attached hereto and by this reference made a part hereof, including goodwill, if any, and the business name "RAY'S TAVERN" and all supplies now used in said tavern business. Any inventory of beer, wine and other perishables and merchandise on hand shall be purchased by Buyer from Seller, at the customary price based upon an inventory of same to be agreed upon between the parties at

return to:

National Envelopes, Inc.  
P.O. Box 20396  
Portland, OR. 97220

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that time, and cash payment shall be made by Buyer.

Seller has represented and Buyer is aware that Seller hereunder is indebted to Gienger Enterprises, Inc., according to a Mortgage dated December 21, 1970, recorded December 24, 1971, in Book M-70 at Page 11338. Seller hereunder agrees that it shall make all payments due on said Mortgage, promptly on the dates and in the amounts called for therein. Should Seller fail to do so, Buyer hereunder may pay said payments and any amount paid thereon shall be credited as payment hereunder.

The purchase price shall be the sum of Forty Two Thousand Five Hundred Dollars (\$42,500.00), on account of which Eight Thousand Dollars (\$8,000.00) is paid on the execution hereof (the receipt of which is hereby acknowledged by the Seller), the balance of Thirty Four Thousand Five Hundred Dollars (\$34,500.00) payable in monthly installments as follows:

The monthly payment shall be divided in two (2) segments, and initially shall be the total amount of \$343.75.

- a) The sum of Seventy Five Dollars (\$75.00) per month on a balance of \$4,217.94, the unpaid principal balance to bear interest at the rate of seven percent (7%) per annum, and segment,
- b) The sum of Two Hundred Sixty Eight and 75/100 Dollars (\$268.75) per month on a balance of \$30,282.06 the unpaid principal balance to bear interest at the rate of seven and one-half percent (7½%) per annum.

At such time as segment (a) is fully paid, the required minimum monthly payment shall consist only of the amount set forth in segment (b), rather than the initial amount.

The initial installment shall be due on or before the 15th day of June, 1973, the next and continuing installment shall be due on or before the 15th day of each month following, subject to the terms of this paragraph.

The Buyer warrants to and covenants with the Seller that



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the real property described in this contract is for business or commercial purposes.

All of said purchase price may be paid at any time; all deferred balances of said purchase price shall bear interest at the rates above stipulated from May 15, 1973, until paid, interest to be paid monthly and included in the segments of the minimum regular monthly payments above required.

1. Possession. Buyer shall be entitled to possession of said real and personal property on May 15, 1973, and thereafter for so long as Buyer complies with the terms and conditions of this agreement.

2. Assumed Name. Seller also agrees to not use the name "Inn at Two Rivers" in the County of Klamath, State of Oregon, and Seller shall sign any necessary documents for the transfer of the assumed business name to Buyer.

3. Prorate Taxes. Real property taxes and personal property taxes on all property agreed to be sold herein shall be prorated between the parties hereto as of the date of this contract, and have either been paid or assumed by the parties as the case may be. Seller warrants there are no liens or encumbrances held by public or quasi public corporations other than current portion of property taxes which have not been disclosed in this agreement.

4. Payment of Future Taxes, etc. Buyer agrees that during the term of this agreement, Buyer will pay before delinquency: all state, county or city taxes or assessments; liens of every kind or nature which may be levied or assessed or become payable against said real or personal property or the business conducted thereon.

Buyer agrees to assume during the term of this agreement all risk of loss, damage or injury to said real and personal property, including condemnation. The same shall not constitute a

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failure of consideration or relieve Buyer from the payment of the Contract Sales Price and interest in accordance with the terms and conditions hereof. Any sums recoverable for such damage or condemnation shall be payable to Seller herein, subject to the terms of paragraph 6, as Seller's interest may appear.

5. Insurance. Existing policies of insurance against loss by fire and extended coverage and casualty and boiler policies covering real and personal property shall be continued until expiration thereof and the premiums therefor shall be prorated as of the closing date. Buyer agrees to keep the building on said premises and the inventory of personal property used in connection with the business insured against loss by fire including extended coverage in the amount of the total insurable value of the real and personal property or the unpaid principal balance under this agreement, whichever of said sums be lesser in amount, with loss payable to the parties hereto as their interests appear at the time of loss, provided, however, that the interest of the contract Seller of the existing contract on the premises and the Seller herein shall also appear in the loss payable clause of said insurance. The policies shall be delivered to Seller or to the Mortgagor as may be required by Seller.

6. Use of Insurance-Condemnation Proceeds. In the event of any loss under the terms of any insurance contracts, Seller agrees to release to Buyer any funds received therefrom that are expended for repair, reconstruction or replacement of any of the insured items damaged, destroyed or stolen. In the event the buildings, improvements or equipment are not replaced or contracted to be rebuilt within one hundred twenty (120) days, the proceeds from insurance received by the Seller shall be applied upon the sums due to the Seller from the Buyer under this agreement. Either



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Buyer or Seller may request an escrow of the funds to ensure payment of contractors. In the event of loss in excess of remaining balance, Seller shall first apply the proceeds in discharge of the remaining balance under this agreement and pay to Buyer any remaining proceeds. Condemnation proceeds shall be treated as insurance proceeds.

7. Liability Insurance. Buyer agrees during the term of this agreement to keep and maintain accident insurance on the premises indemnifying all the parties herein for all loss on account of use of the premises in a sum of not less than One Hundred Thousand Dollars (\$100,000.00) for any injury to a single person, and not less than Three Hundred Thousand Dollars (\$300,000.00) for any single accident, and not less than Fifty Thousand Dollars (\$50,000.00) for property damage. Such policies to be in companies licensed to do business in the State of Oregon, naming Buyer and Seller as insureds. In the event Buyer fails to maintain such insurance, Seller may purchase such insurance, and the premiums therefor shall be paid by Buyer to Seller, plus seven and one-half percent (7½%) annual interest forthwith.

8. Utility Charges. All charges for light, water, telephone, other utility services, garbage disposal, and all other services and items utilized by the Seller in the operation of said tavern business which have been incurred prior to the closing date shall be paid by the Seller and all charges subsequent thereto shall be borne by the Buyer, and to the extent necessary, all charges shall be prorated accordingly.

9. Wages and Taxes. The Seller shall pay the salaries and wages of all employees to and including the closing date and time, shall further pay all sums withheld and all sums otherwise payable on account of income taxes and vacation pay, if any, old

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age and unemployment compensation taxes, and all other employee taxes based upon salaries and wages paid or payable to and including said date and shall file such tax and other returns as may be required in connection therewith. The Seller shall pay all federal and state excise taxes, if any, on account of all business done to and including the closing date and time.

10. Seller Protected. Buyer agrees with Seller to hold Seller harmless and free from any and all claims arising by reason of Buyer's or others' occupancy and use of said real and personal property, including the replacement, substitution, additions, or improvements thereon or thereto.

11. Lawful Use. Buyer agrees that during all the time this contract is in force, Buyer will abide by and observe all rules and regulations imposed by any lawful government authority or agency having jurisdiction with reference to the occupancy and use of said premises.

12. Improvements, Alterations and Repairs of Real Property. Buyer agrees that all improvements now located or which shall hereafter be placed on the premises, shall remain a part of the real property. The Buyer will not commit nor suffer any waste on said real property and will not allow any of the personal property, except such signs as are not on said real property to be removed therefrom without the consent of the Seller. The Buyer further agrees to maintain said real property and all improvements thereon and said personal property in their present state and condition, reasonable wear and tear excepted, and further agrees to replace any of the items of personal property as may become unfit for use, destroyed or lost with items of the same or similar kind and quality, and title to any and all such items replaced by the Buyer shall immediately vest in the Seller as fully as if they originally were the property of the Seller, subject to the Buyer's rights thereto



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in accordance with the provisions of this agreement. The Buyer further agrees not to make any alterations or improvements to the existing structure, other than such as may be necessary to maintain said real property as hereinabove provided, which will involve an expenditure in excess of the sum of Five Thousand Dollars (\$5,000.00), without the prior written consent of the Seller.

13. Time of Essence, Seller's Remedies. Time is of the essence of this agreement, and the failure on the part of Buyer to pay any installment of principal and interest to Seller or others at the time and in the manner herein specified, or to keep and perform each and every obligation on Buyer's part herein undertaken, shall if not cured after ten (10) days written notice to Buyer, constitute a breach of this agreement, for which the Seller may at his option declare the same null and void; in which case any payments heretofore made by Buyer shall be forfeited to the Seller as and for liquidated damages for the breach of this agreement and as and for rental for the use of said real and personal property; the Seller shall be relieved of all obligations in law or in equity to convey said property or any portion thereof to Buyer, and the Buyer will upon demand, immediately surrender the possession of same and all replacements, additions, substitutions and improvements thereof, or Seller may, notwithstanding any other relief afforded herein, foreclose this contract, including without limitation specific performance, in the manner provided by the laws of the State of Oregon. Remedies of Seller are cumulative and not alternative. In the event of such foreclosure, all replacements, additions, substitutions and improvements to said real property shall be subject to such foreclosure as though they were specifically described herein as part of the property being sold hereunder and subject to the terms hereof.

14. Attorneys' Fees. In the event of any suit or action including appeals brought by either party hereto with reference to enforcement of any terms or conditions of this agreement or of the foreclosure thereof, the prevailing party shall be entitled to have and recover of and from the other party judgment for such sums as the court may believe reasonable to be allowed to the prevailing party as attorneys' fees.

15. Liens. Buyer shall not suffer or permit any liens hereafter to be imposed upon the premises or property and shall pay and satisfy any claims giving rise thereto; provided, however, Buyer may defer such payment pending active contest of any lien by posting bond or security, or in a court proceeding sufficient in amount to pay and satisfy such claims including all costs, attorneys' fees and judgments which may reasonably be anticipated in the event of a determination adverse to Buyer.

16. Title Insurance. Seller shall furnish, at his expense, a Purchasers' policy of title insurance in the amount of Thirty Thousand Dollars (\$30,000.00) within thirty (30) days after close of sale. Such title insurance policy shall insure Buyer against loss or damage sustained by Buyer by reason of the unmarketability of Buyer's title or liens or encumbrances thereon, excepting matters contained in usual printed exceptions in such title insurance policies, easements, conditions and restrictions of record and the mortgage referred to heretofore.

17. Delivery of Deed. When the balance of the Contract Sales Price has been paid in full, the estate of Seller to the real and personal property herein described shall cease and terminate, and Buyer shall upon request receive from Seller a Warranty deed and bill of sale, conveying to Buyer all of Seller's right, title and interest in and to the herein described real and



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personal property, which deed and bill of sale shall be usual and standard in form and shall warrant that said real and personal property is free and clear of all encumbrances, excepting however, those conditions, restrictions, liens, reservations in Federal patents and easements now of record, or any easements, restrictions, taxes, municipal liens, water rents, public charges, liens and encumbrances created by the Buyer.

18. Seller's Consent to Sale. The Buyer will not sell or assign Buyer's interest in this contract or the property herein agreed to be sold without consent of Seller. Any assignment which is approved by Seller shall not relieve Buyer of his responsibility hereunder to abide the terms of this agreement. Consent will not be unreasonably withheld. Buyer may notify Seller by registered or certified mail or otherwise in writing of a proposed sale or assignment. If Seller does not make written objection within ten (10) days of mailing such notice by registered mail or personal delivery, they will be deemed to have consented to such sale or assignment.

19. Seller's Security Interest. Until Seller has been fully paid, title to the real and personal property, and replacements, described in this agreement, shall remain in Seller. Seller shall have a security interest in such personal property pursuant to the Uniform Commercial Code. The Buyer may replace personal property, subject to the notice provisions of paragraph 18. Leased or otherwise encumbered personal property shall also be subject to Seller's security interest.

20. Inspection, Limitation of Representation and Bulk Sales Law. Other than warranty of title to the real and personal property, lawfulness of conduct of a tavern business at the premises at time of closing (subject to Buyer obtaining license

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transfers) and payment of all charges incurred by Seller which may become a lien against the property, the Seller makes no warranties as to the condition or use of the real and personal property, all of which is sold on an "As is, where is" basis. Buyer agrees that full inspection of the described premises has been made by Buyer and that neither the Seller nor any persons, including real estate brokers, agents or attorneys representing the Seller have made any representations or warranties respecting the real and personal property or the condition of the personal property or the condition of the improvements on the real property or for any agreement for the alterations, improvements or repairs. Buyer agrees that he is fully satisfied with and accepts the property herein agreed to be sold as Buyer finds it. This agreement is the entire agreement of the parties and supersedes all prior negotiations and agreements. Seller shall comply with any applicable Bulk Sales Law.

21. Buyer's Insolvency. This contract is personal to Buyer; Buyer's interest in whole or in part cannot be seized or taken by operation of law or under or by virtue of any execution of legal process, attachment or proceeding instituted against the Buyer, or under or by virtue of any bankruptcy or insolvency proceedings had in regard to Buyer, or in any other manner except as above mentioned. Any act described in this paragraph shall render the whole unpaid balance of this agreement immediately due and payable, and if not so paid, shall give Seller all rights herein provided for default of Buyer.

22. Enforceability. No waiver by Seller of any breach by Buyer of any provision hereof including without limitation the "Time-of-Essence" clause, shall under any circumstance constitute or be deemed a waiver of any subsequent breach by Buyer of the



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same or any other provision or requirement hereof, including this provision.

23. Notices, Addresses. Subject to change by written notice, notices to the parties shall be given at the following addresses:

To Buyer: Mr. Vearl E. Wolf  
700 Delay Drive  
Eugene, Oregon 97402

To Seller: Mr. Harold Sliger  
962 N. W. Cypress Street  
Corvallis, Oregon 97330

24. Actual Consideration. The true and actual consideration paid for this transfer, stated in terms of dollars, is Forty Two Thousand Five Hundred Dollars (\$42,500.00), which amount includes the personal property purchased herein.

25. Heirs, Gender, Number. The covenants herein contained shall, without waiving restrictions on assignments, bind and the benefits and advantages shall inure to and bind the respective heirs, executors, administrators, successors and assigns of the parties hereto. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

TWO RIVERS ENTERPRISES, LTD.,  
an Oregon corporation

By

Harold M. Sliger  
Harold M. Sliger, President

Harold M. Sliger  
Harold M. Sliger

Dot-Am Sliger  
Dot-Am Sliger

SELLERS

Vearl E. Wolf  
Vearl E. Wolf

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BUYER

STATE OF OREGON )  
County of BENTON ) ss.

April 24, 1973

Personally appeared Harold M. Sliger, who, being duly sworn, did say that he is the president of Two Rivers Enterprises, Ltd., a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and acknowledged said instrument to be its voluntary act and deed.

Before me:



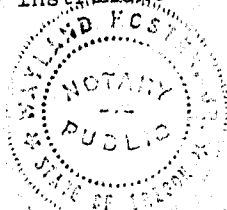
Wayne Foster  
Notary Public for Oregon  
My Commission Expires: 3-21-1974

STATE OF OREGON )  
County of BENTON ) ss.

April 24, 1973

Personally appeared the above named Harold M. Sliger and Dot-Am Sliger, husband and wife, and acknowledged the foregoing instrument to be their voluntary act and deed.

Before me:



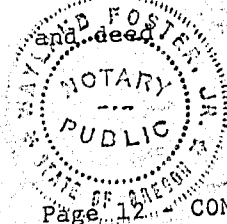
Wayne Foster  
Notary Public for Oregon  
My Commission Expires: 3-21-1974

STATE OF OREGON )  
County of LAINE ) ss.

April 13, 1973  
MAY

Personally appeared the above named Vearl E. Wolf and acknowledged the foregoing instrument to be his voluntary act

Before me:



Wayne Foster  
Notary Public for Oregon  
My Commission Expires: 3-21-1974

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INVENTORY OF EQUIPMENT

RAY'S TAVERN  
CHILOQUIN, OREGON

1. Bowman-Hicks Lumber Company Safe
2. Desk
3. Remington-Rand Electric Adding Machine
4. Superior Six-pack Box (2 x 4 x 6)
5. Tyler Refrigeration Case
6. True Refrigeration Case
7. Royal Crown Cola Case
8. Cold Spot Refrigeration Case
9. Bemco Double Path Beer Cooler
10. Kitchen Aid Dishwasher
11. Shuffleboard
12. 24 Bar Stools
13. Brunswick Pool Table - New Coin Operated
14. Miscellaneous Compressors
15. Miscellaneous Janitorial Equipment and Tools

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of TRANSAMERICA TITLE INS. CO

this 7th day of JUNE A. D., 19 73 at LL:) o'clock A.M., and duly recorded in  
Vol. M 73 of DEEDS on Page 6999

FFR \$ 26.00

WM. D. MILNE, County Clerk

By Kazil Quazil