

RECEIVED DEC 9 - 1974

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CONDITIONAL SALES SECURITY AGREEMENT Vol. 77 Page 15619-28-777

1
2 RODNEY ALLEN, whose address is 785 St. Charles, Apt. 8, Thousand Oaks,
3 and PAULINE ALLEN, whose address is California 93160, 97624
4 hereinafter referred to and known as Sellers or Secured Parties, do hereby agree
5 to sell to LAWRENCE EDWARD SANDERS, whose mailing address is P. O. Box _____,
6 Sprague River, Oregon 97639, hereinafter referred to and known as Buyer or Debtor;
7 and said Buyer does hereby agree to purchase from the Sellers all of their int-
8 erest in and to the fixtures, furnishings and equipment used by Sellers in carry-
9 ing on and conducting that certain grocery store business known as ALLEN'S STORE,
10 a more particular description of said personal property being attached hereto,
11 marked Exhibit A and by this reference made a part hereof as though expressly
12 rewritten herein; also the useable inventory on hand at the date of possession;
13 and the following described real property in Klamath County, Oregon:

14 Lots 1, 2, 3 and 4 in Block 11, SPRAGUE RIVER;
15 which said goods and real property are hereafter collectively referred to as
16 collateral, of which Buyer agrees to pay to Sellers a total purchase price of
17 \$39,500.00, of which \$7,500.00 is for the personal property and \$32,000.00 is
18 allocable to the real property, payable as follows: \$8,000.00 at the time of
19 the execution of this agreement, the receipt of which is hereby acknowledged;
20 \$31,500.00 with interest at the rate of 7½% per annum from July 15, 1974, pay-
21 able in installments of not less than \$250.00 per month, inclusive of interest,
22 the first installment to be paid on the 15th day of August, 1974, and a further
23 installment on the 15th day of each month thereafter until the full balance and
24 interest are paid. Buyer hereunder shall have the right to enter into a contract
25 of sale or otherwise assign his interest in this contract subject to the right
26 of Sellers to approve said new buyers or assignees.

27 The useable inventory on hand at the date of possession shall be in addition
28 to the property above described and will be paid for in cash at the time of
29 closing.

30 It is agreed that the assumed business name, Allen's Store, is not being
31 sold as a part of this transaction.

32 Sellers' rights under this agreement shall be as tenants in common each to

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97601

1 an undivided one-half interest.

2 1. RESERVATION OF TITLE AND SECURITY INTEREST - FUTURE INDEBTEDNESS.

3 It is understood and agreed that this is a security agreement, and the
4 Sellers reserve title to and Buyer grants Sellers a security interest in all of
5 the above described collateral and in all the equipment, fixtures, furnishings
6 and inventory which may hereafter be acquired by the Buyer to be used in said
7 business. Said security interest is given to secure the payment and performance
8 of all of the Buyer's obligations set forth in this agreement and to secure all
9 future credit and advances made by Sellers to or for the account of the Buyer
10 and all future obligations and indebtedness of Buyer to Sellers including, but
11 not by way of limitation, advances for loans, taxes, levies, insurance and rent,
12 and all reasonable costs and expenses incurred in the collection of any such
13 indebtedness, including Sellers' reasonable attorneys' fees and legal expenses,
14 including attorneys' fees in any appeal or proceeding in any appellate court.

15 It is expressly understood that Buyer may replace the property sold here-
16 under but that the security interest of Sellers will attach to the same and be
17 superior to any security interest of any other party. Buyer agrees that said
18 replacements will not lower the total value of said equipment, fixtures, furnish-
19 ings and inventory prior to said replacements, disregarding any additional after
20 acquired property.

21 2. WARRANTIES.

22 Sellers warrant that said equipment, fixtures, furnishings and inventory
23 are free and clear of all liens and incumbrances, except for personal property
24 taxes for the current year which became a lien on January 1, 1974. Sellers
25 warrant that they have good right to sell said equipment, fixtures, furnishings
26 and inventory. Sellers further warrant that they have no creditors (except Myron
27 Sutherland and Edna Joanne Sutherland) and agree that they will forthwith upon
28 execution of this agreement execute and deliver to the Buyer Schedule of Prop-
29 erty and List of Transferor's Creditors in which they will execute affidavit
30 that they have no creditors, except Myron Sutherland and Edna Joanne Sutherland.
31 Sellers expressly covenant and agree that all other creditors have been paid.
32 Sellers will on the execution hereof make and execute in favor of Buyer good and

1 sufficient warranty deed conveying a fee simple title to said real property
2 free and clear as of this date of all encumbrances whatsoever, except reser-
3 tions, restrictions, easements and rights of way of record or apparent on the
4 land, if any; real property taxes for fiscal year commencing July 1, 1974, which
5 are now a lien but not yet payable; and to a Mortgage to Myron Sutherland and
6 Edna Joanne Sutherland, recorded Oct. 1, 1971, in Book M-71 at page 10418, Micro-
7 film Records, which said Mortgage buyer herein does not assume and Sellers cove-
8 nant and agree to hold him harmless therefrom; and security interest to Myron
9 Sutherland and Edna Joanne Sutherland disclosed by Financing Statement No.
10 56996, Klamath County, Oregon, and will place said deed, together with one of
11 these agreements, a bill of sale covering said personal property, termination of
12 financing statement (in duplicate) covering the personal property, and a pur-
13 chaser's policy of title insurance in sum of \$32,000.00 covering said real prop-
14 erty, in escrow at United States National Bank, at Chiloquin, Oregon, and shall
15 enter into written escrow instructions in form satisfactory to said escrow hold-
16 er, instructing said holder that when, and if, Buyer shall have paid the balance
17 of the purchase price in accordance with the terms and conditions of this con-
18 tract, said escrow holder shall deliver said instruments to Buyer, but that in
19 case of default by Buyer, said escrow holder shall, on demand, surrender said
20 instruments to Sellers.

21 The Buyer and Buyer's legal representatives, heirs and assigns agree and
22 warrant as follows:

23 (a) That the Buyer will promptly pay said purchase price and interest and
24 any and all other indebtedness which may become due to the Sellers at United
25 States National Bank, at Chiloquin, Oregon, or at such other place as the
26 Sellers may designate.

27 (b) That the Buyer's mailing address, county of residence and this place
28 of business above set forth are true and correct, and that Buyer shall immediately
29 notify Sellers in writing of any change in said address, county of residence or
30 sole place of business.

31 (c) That said collateral will be retained in Buyer's possession in Klamath
32 County, Oregon, at all times and at Buyer's sole risk and responsibility.

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1 (d) That Buyer will carry sufficient fire insurance to keep the property
2 insured at its full insurable value. Buyer shall further carry public liability
3 insurance in a sum not less than \$100,000.00/\$300,000.00.

4 (e) That Sellers shall have the right to enter into and upon any premises
5 where any of the collateral may be situated for the purpose of inspecting or
6 inventorying the same.

7 (f) That Buyer will not abandon said collateral or any part thereof nor
8 sell or exchange any part thereof without the prior written consent of Sellers.
9 That Buyer will not permit any lien or security interest therein, or a financing
10 statement to be filed on any of said collateral without the prior written consent
11 of Sellers.

12 (g) That Buyer will preserve and protect the collateral against loss, dam-
13 age or depreciation in value.

14 (h) That Buyer will promptly pay all taxes on or relating to the use of
15 collateral when they first become due and payable.

16 (i) That the Sellers may, in their discretion, pay any taxes, liens, secu-
17 rity interest or other encumbrances at any time levied or placed on said collat-
18 eral or any part thereof, and may place and pay for insurance thereon, and may
19 pay for the maintenance, protection or preservation of the collateral, and may
20 pay the rent on the premises in which any part of the collateral is located, and
21 may pay any necessary filing or recording fees. All such payments and advances
22 shall be secured by said collateral and shall draw interest at the same rate as
23 the unpaid balance of the purchase price, and the Buyer shall reimburse the
24 Sellers for such payments and advances and interest on demand.

25 (j) That the Buyer will join the Sellers in executing, filing and doing
26 whatever may be necessary under applicable law to perfect and continue the
27 Sellers' security interest in the collateral, all at Buyer's expense.

28 (k) That Buyer further warrants there have been no representations of past
29 income of this property or of income which may be expected and that he is pur-
30 chasing the property in its present condition.

31 3. GENERAL PROVISIONS.

32 (a) All the terms herein, the rights, duties and remedies of the parties

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1 shall be governed by the laws of Oregon.

2 (b) All the benefit of this agreement shall inure to the Sellers, their
3 legal representatives and assigns.

4 (c) Each demand, notice or other communication shall be served or given by
5 mail or telegraph addressed to the party at their mailing address set forth here-
6 in, or as changed by written notice to the other party, or by personal service
7 upon the party. Reasonable notice, when notice is required, shall be five days.

8 4. POSSESSION AND DEFAULT.

9 The Buyer shall be entitled to possession of the collateral unless a default
10 occurs. The Buyer shall be in default under this agreement upon the occurrence
11 of any of the following:

12 (a) Failure to pay when due any of the principal or interest on this agree-
13 ment; **However, Buyer shall have a grace period of 30 days from the due**
14 **date of subject payment before he shall be deemed in default, under this**

15 (b) Failure by Buyer to keep, observe or perform any of the provisions of
16 this agreement;

17 (c) Misrepresentation or material falsity of any certificate or statement
18 made or furnished by Buyer to Sellers whether or not in connection with this
19 agreement;

20 (d) If Buyer is adjudged bankrupt, or if any of said property is seized,
21 attached or levied upon.

22 5. REMEDIES ON DEFAULT.

23 In addition to all rights and remedies of the Secured Parties upon default
24 set forth in the Oregon Uniform Commercial Code and this agreement, time of pay-
25 ment and strict performance being declared to be the essence of this agreement,
26 then Sellers shall have the following rights:

- 27 (a) To foreclose this contract by strict foreclosure in equity;
28 (b) To declare the full unpaid balance immediately due and payable;
29 (c) To specifically enforce the terms of the agreement by suit in equity;
30 (d) To declare this contract null and void;

31 and in any such case, except exercise of the right to specifically enforce this
32 agreement by suit in equity, all the right and interest hereby created or then
existing in favor of Buyer derived under this agreement shall utterly cease and

1 determine, and the premises aforesaid shall revert and revest in Sellers without
 2 any declaration of forfeiture or act of reentry, and without any other act by
 3 Sellers to be performed and without any right of Buyer of reclamation or compen-
 4 sation for money paid or for improvements made, as absolutely, fully and perfectly
 5 as if this agreement had never been made.

6 Should Buyer while in default permit the premises to become vacant, Sellers
 7 may take possession of same for the purpose of protecting and preserving the
 8 property and their security interest therein; and in the event possession is so
 9 taken by Sellers, they shall not be deemed to have waived their right to exer-
 10 cise any of the foregoing rights.

11 And in case suit or action is instituted to foreclose this contract or to
 12 enforce any of the provisions hereof, the prevailing party shall recover the
 13 reasonable cost of title report, title search and such sums as the trial court
 14 may adjudge reasonable as attorneys' fees to be allowed the prevailing party in
 15 said suit or action; and if an appeal is taken from any judgment or decree of
 16 such trial court, the prevailing party shall recover such sum as the appellate
 17 court shall adjudge reasonable as the prevailing party's attorneys fees on such
 18 appeal.

19 Buyer further agrees that failure by Sellers at any time to require perform-
 20 ance by Buyer of any provision hereof shall in no way affect Sellers' right
 21 hereunder to enforce the same, nor shall any waiver by Sellers of such breach of
 22 any provision hereof be held to be a waiver of any succeeding breach of any such
 23 provision, or as a waiver of the provision itself.

24 This agreement shall bind and inure to the benefit of, as the circumstances
 25 may require, the parties hereto and their respective heirs, executors, adminis-
 26 trators and assigns.

27 EXECUTED IN TRIPLICATE, one copy of which was delivered to and retained by
 28 the Buyer, this 19th day of July, 1974.

29 Lawrence Edward Sanders (SEAL) x Rodney Allen (SEAL)
 30 Lawrence Edward Sanders Rodney Allen
 31 BUYER SELLERS
 32 Pauline Allen (SEAL)
 Pauline Allen
 SELLERS

Super Cold 12 ft. Vegetable Cooler; Super Cold 8 ft. Meat Case;
 Burroughs Bookkeeping Machine; Clary Adding Machine; Herring-Hall
 Marvin Safe Co. Safe; C. V. & E. File Cabinet; Office Desk and Chair;
 National - Electric Cash Register; Toledo #24 Capacity Meat Scale;
 Adding Machine (Bohn); Standard Computing Scale Co. 24# Grocery Scale;
 Portable Air Cooler; Walk-in & Compressor Unit; Copeland Fre-on Com-
 pressor Unit; Hobart Meat Grinder; Hobart Model 211 Meat Slicer; Meat
 Cuber; Hand Saw; Band Saw; Model 322 Clary Cash Register; All Shelves,
 Cases and Display Cases owned by the store used for the operation of
 the store business; All postoffice equipment belonging to the store;
 All miscellaneous items and equipment used in operation of the store.

Return to:
 Mrs. Pauline Gwyer
 514 S. 1st St.
 Clatskanie, Ore. 97101

STATE OF OREGON,

County of Klamath

ss.

FORM NO. 23 - ACKNOWLEDGMENT
STEVENS HESS LAW PUB. CO., PORTLAND, ORE.

BE IT REMEMBERED, That on this 26th day of July, 1974,
 before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within
 named Pauline Allen and Lawrence Edward Sanders

known to me to be the identical individuals 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.

Marlene T. Addington
 Notary Public for Oregon
 My commission expires 3-21-77

Marlene T. Addington
 Notary Public for Oregon.
 My Commission expires 3-21-77

STATE OF OREGON, CALIFORNIA

County of Ventura

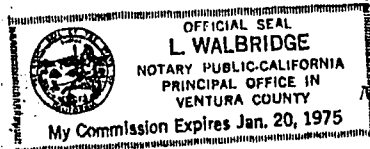
ss.

FORM NO. 23 - ACKNOWLEDGMENT
STEVENS HESS LAW PUB. CO., PORTLAND, ORE.

BE IT REMEMBERED, That on this 11th day of August, 1974,
 before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within
 named Rodney Allen

known to me to be the identical individual described in and who executed the within instrument and
 acknowledged to me that he 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.



L. Walbridge
 Notary Public for Oregon, California
 My Commission expires 1-20-75

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Trans. Title Inc. Co.

this 9th day of December A. D., 1974 at 11:00 o'clock A. M., and duly recorded in
 Vol. M-74, of Deed on Page 15619.

Fee \$14.00

WM. D. MILNE, County Clerk

By

William F. Cover

Deputy