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TELEPHONE 884-7731

38-8936

Vol. <sup>MV</sup> 75 Page 6365

1457

CONTRACT AGREEMENT

THIS AGREEMENT, made and entered into this 23rd day of May, 1975, by and between WILLIAM F. KIEHLMEIER and DOROTHY L. KIEHLMEIER, husband and wife, hereinafter referred to as Sellers, and WILLIAM A. WOLFE and KATHRYN E. WOLFE, husband and wife, hereinafter referred to as Buyers.

WITNESSETH:

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

PARCEL 1. Lots 16 and 17 in Block 64, KLAMATH FALLS FOREST ESTATES HIGHWAY 66 UNIT, PLAT #3;

PARCEL 2. Lot 3 in Block 26, KLAMATH FALLS FOREST ESTATES HIGHWAY 66 UNIT, PLAT #2.

That the aforementioned real property is subject to restrictions, and reservations, set forth in Exhibit "A", attached hereto and by this reference made a part hereof, as though expressly rewritten herein; TOGETHER WITH personal property more particularly described in Exhibit "B", attached hereto and by this reference made a part hereof as though expressly rewritten herein, at and for a purchase price of Thirty Thousand and no/100 Dollars (\$30,000), payable as follows: The sum of Eight Thousand and no/100 Dollars (\$8,000) upon the execution of this agreement, receipt of which is hereby acknowledged; the balance of Twenty-Two Thousand and no/100 Dollars (\$22,000) with interest thereon at the rate of 7% per annum <sup>D.K. from June 6 1975</sup> to be paid in installments of not

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1 less than One Hundred Sixty and 59/100 Dollars (\$160.59) per  
2 month, including interest, the first installment to be paid on  
3 or before the 6th day of July, 1975, and a like  
4 installment to be paid on or before the 6th day of each and  
5 every month thereafter; PROVIDED, HOWEVER, that the full balance  
6 of principal and interest shall be paid in full on or before the  
7 6th day of June, 1992, and this contract agreement  
8 shall not extend beyond a period of seventeen (17) years. All  
9 or any portion may be prepaid without penalty.

10 That Buyers will be entitled to the Bill of Sale for the  
11 personal property described in Exhibit "B" in three (3) years,  
12 provided the contract agreement is not in default.

13 1. RESERVATION OF TITLE AND SECURITY INTEREST - FUTURE  
14 INDEBTEDNESS:

15 It is understood and agreed that this is a security  
16 agreement, and the Sellers reserve title to and Buyers grant to  
17 Sellers a security interest in all of the above-described  
18 collateral and in all of the equipment, fixtures and furnishings  
19 which may hereafter be acquired by the Buyers to be used in the  
20 conducting of Bill's Motel (formerly Double L Motel). Said  
21 security interest is given to secure the payment and performance  
22 of all of the Buyers' obligations set forth in this agreement  
23 and to secure all future credit and advances made by Sellers in  
24 this agreement and to or for the account of the Buyers and all  
25 future obligations and indebtedness of Buyers to Sellers  
26 including, but not by way of limitation, advances for loans, taxes,  
levies, insurance and rent, and all reasonable costs and expenses



1 incurred in the collection of any such indebtedness, including  
 2 Seller's reasonable attorneys fees and legal expenses, including  
 3 attorneys fees in any appeal or proceeding in any appellate  
 4 Court. It is expressly understood that Buyers may replace the  
 5 property sold hereunder but that the security interest of Sellers  
 6 will attach to the same and be superior to any security interest  
 7 of any other party. Buyers agree that said replacements will  
 8 not lower the total value of the equipment, fixtures and furnish-  
 9 ings below the value of said equipment, fixtures and furnishings  
 10 prior to said replacements, disregarding any additional after-  
 11 acquired property.

12 2. WARRANTIES. Seller warrants that said equipment, fixtures  
 13 and furnishings are free and clear of all liens and encumbrances,  
 14 and that Sellers have good right to sell said real property and  
 15 personal property to Buyers; and Sellers covenant and agree to  
 16 indemnify and hold Buyers harmless with respect to any and all  
 17 indebtedness of Sellers.

18 . Sellers will, on the execution hereof, make and execute in  
 19 favor of Buyers good and sufficient warranty deed conveying a fee  
 20 simple title to said real property free and clear as of this  
 21 date of all encumbrances whatsoever, except as set forth in  
 22 Exhibit "A" herein, and will place said deed, together with this  
 23 agreement, a bill of sale covering said personal property contained  
 24 in Exhibit "B", a withdrawal of assumed <sup>D.K. signed by Buyers</sup> business name, termination  
 25 of financing statements covering the personal property, and a  
 26 purchasers' policy of title insurance in escrow at First Federal

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1 Savings and Loan Association of Klamath Falls, Oregon, and shall  
2 enter into written escrow instructions in form satisfactory to  
3 said escrow holder, instructing said holder that when, and if,  
4 Buyers shall have paid the balance of the purchase price in  
5 accordance with the terms and conditions of this contract, said  
6 escrow holder shall deliver said instruments to Buyers, but that  
7 in case of default by Buyers, said escrow holder shall, on demand,  
8 surrender said instruments to Sellers.

9 The Buyers and the Buyers' legal representatives, heirs and  
10 assigns agree and warrant as follows:

11 (a) That the Buyers will promptly pay said purchase price and  
12 interest and any and all other indebtedness which may become due  
13 to the Sellers at First Federal Savings and Loan Association of  
14 Klamath Falls, Oregon, or at such other place as the Sellers may  
15 designate.

16 (b) That the Buyers' mailing address is: Route 1, Box 584,  
17 Bonanza, Oregon, and that Buyers shall immediately notify Sellers  
18 in writing of any change in said address.

19 (c) That said collateral will be retained in Buyers' possession  
20 in Klamath County, Oregon, at all times and at Buyers' sole risk  
21 and responsibility;

22 (d) That Buyers will carry sufficient fire insurance to keep  
23 the property insured at its full insurable value.

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

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1 (f) That Buyers will not abandon said collateral or any part  
2 thereof nor sell or exchange any part thereof without the prior  
3 written consent of Seller. That Buyers will not permit any lien  
4 or security interest therein, or a financing statement to be  
5 filed on any of said collateral <sup>D.H. without</sup> ~~with~~ the prior written consent  
6 of Sellers. <sub>W.W. J.R.</sub>

7 (g) That Buyers will preserve and protect the collateral  
8 against loss, damage or depreciation in value.

9 (h) That Buyers will promptly pay all taxes on said real  
10 and personal property, or relating to the use of collateral when  
11 the same become due and payable.

12 (i) That the Sellers may, in their discretion, pay any taxes,  
13 liens, security interest or other encumbrances at any time levied  
14 or placed on said collateral or any part thereof, and may place  
15 and pay for insurance thereon, and may pay the rent on the  
16 premises in which any part of the collateral is located, and may  
17 pay any necessary filing or recording fees. All such payments  
18 and advances shall be secured by said collateral and shall draw  
19 interest at the same rate as the unpaid balance of the purchase  
20 price, and the Buyers shall reimburse the Sellers for such payments  
21 and advances and interest on demand.

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

26 (k) That Buyers further warrant there have been no

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1 representations of past income of this property or of income  
2 which may be expected and that they are purchasing the property  
3 in its present condition.

4 3. GENERAL PROVISIONS.

5 (a) All of the terms herein, the rights, duties and  
6 remedies of the parties shall be governed by the laws of Oregon.

7 (b) All the benefit of this agreement shall inure to  
8 the Sellers, their legal representatives, successors and assigns;  
9 and the obligations shall be binding upon the buyers, who shall  
10 be liable therefor, and upon the Buyers' legal representatives  
11 and assigns.

12 (c) Each demand, notice or other communication shall  
13 be served or given by mail or telegraph addressed to the parties  
14 at their mailing address set forth herein, or as changed by  
15 written notice to the other party, or by personal service upon  
16 the party. Reasonable notice, when notice is required, shall be  
17 five (5) days.

18 4. POSSESSION AND DEFAULT. The Buyers shall be entitled to  
19 possession of the collateral unless a default occurs. The  
20 Buyers shall be in default under this agreement upon the occurrence  
21 of any of the following:

22 (a) Failure to pay when due any of the principal or interest  
23 on this agreement;

24 (b) Failure by Buyers to keep, observe or perform any of the  
25 provisions of this agreement;

26 (c) Misrepresentation or material falsity of any certificate

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1 or statement made or furnished by Buyers to Sellers whether or  
2 not in connection with this agreement;

3 (d) If Buyers are adjudged bankrupt, or if any of said property  
4 is seized, attached or levied upon.

5 5. REMEDIES ON DEFAULT. In addition to all rights and  
6 remedies of the Sellers upon default set forth in the Oregon  
7 Uniform Commercial Code and this agreement, time of payment and  
8 strict performance being declared to be the essence of this  
9 agreement, then Sellers shall have the following rights:

10 (a) To foreclose this contract by strict foreclosure in  
11 equity;

12 (b) To declare the full unpaid balance immediately due and  
13 payable;

14 (c) To specifically enforce the terms of the agreement by  
15 suit in equity;

16 (d) To declare this contract null and void;  
17 and in any such cases, except exercise of the right to specifically  
18 enforce this agreement by suit in equity, all the right and  
19 interest hereby created or then existing in favor of Buyers  
20 derived under this agreement shall utterly cease and determine,  
21 and the premises aforesaid shall revert and revest in Sellers  
22 without any declaration of forfeiture or act of reentry and  
23 without any other act by Sellers to be performed and without any  
24 right of Buyers of reclamation or compensation for money paid or  
25 for improvements made, as absolutely, fully and perfectly as if  
26 this agreement had never been made.

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1 Should Buyers while in default permit the premises to become  
2 vacant, Sellers may take possession of same for the purpose of  
3 protecting and preserving the property and their security interest  
4 therein; and in the event possession is so taken by Sellers, they  
5 shall not be deemed to have waived their right to exercise any  
6 of the foregoing rights.

7 And in case suit or action is instituted to foreclose this  
8 contract or to enforce any of the provisions thereof, Buyers  
9 agree to pay reasonable costs of title report and title search  
10 and such sums as the trial court may adjudge reasonable as  
11 attorneys fees to be allowed to Sellers in said suit or action;  
12 and if any appeal is taken from any judgment or decree of such  
13 trial Court, the Buyers further promise to pay such sum as the  
14 appellate court shall adjudge reasonable as Seller's attorneys  
15 fees on such appeal.

16 Buyers further agree that failure by Sellers at any time to  
17 require performance by Buyers of any provisions hereof shall in  
18 no way affect Sellers' right hereunder to enforce the same, nor  
19 shall any waiver by Sellers of such breach of any provisions  
20 hereof be held to be a waiver of any succeeding breach of any  
21 such provision or as a waiver of the provision itself.

22 Sellers' mailing address is: 4371 So. Marks

23 (C/o Greg Rossi) Fresno, Calif 93706

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

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IN WITNESS WHEREOF, this Contract Agreement was executed in triplicate, this 23rd day of May, 1975.

William F. Kiehlmeier Sr.

Dorothy L. Kiehlmeier  
SELLERS

William A. Wolfe

Kathryn E. Wolfe  
BUYERS

STATE OF OREGON )  
County of Klamath ) ss.

On this 23rd day of May, 1975, personally appeared before me the within named, WILLIAM F. KIEHLMEIER, <sup>SR. and</sup> DOROTHY L. KIEHLMEIER, husband and wife, and WILLIAM A. WOLFE and KATHRYN E. WOLFE, husband and wife, and acknowledged the foregoing instrument to be their voluntary act and deed.

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

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KIEHMEIER to WOLFE

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EXHIBIT "A"

SUBJECT TO:

1. Reservations, restrictions, rights of way and easements of record and those apparent on the land;
2. Restrictions, but omitting restrictions, if any, based on race, color, religion or national origin, as shown on the recorded plat of Klamath Falls Forest Estates, Highway 66 Unit, Plat No. 3 (affects Parcel 1);
3. Mortgage, including the terms and provisions thereof, with interest thereon and such future advances as may be provided therein, given to secure the payment of \$51,000.00, dated the 15th day of January, 1964, recorded November 27, 1964 in Book 227, at page 388, between S.E.C. Co., Inc., a corporation, as Mortgagor, and Curtis Blaustein, as Mortgagee (affects Lot 17 of Parcel 1 and additional property); which mortgage Grantees DO NOT assume;
4. Covenant by Curtis Blaustein to release lien of mortgage in Exception 3 covering any parcels of said property purchased from mortgagor and paid for, as set forth in instrument recorded in Mortgage Volume 227 at pages 409 and 410, Records of Klamath County, Oregon. (affects Parcel 1, Lot 17);
5. Covenants, easements and restrictions, but omitting restrictions, if any based on race, color, religion or national origin, imposed by instrument, including the terms thereof, recorded June 24, 1965, in Book 362 at page 400 (affects Parcel 1);
6. Restrictions, but omitting restrictions, if any, based on race, color, religion or national origin, as shown on the recorded plat of Klamath Falls Forest Estates, Highway 66 Unit, Plat No. 2 (affects Parcel 2);
7. Timber Deed, including the terms and provisions thereof, as set forth in Deed Volume 357 at page 432, recorded November 13, 1964, given to Tree Lake Development Co. and Pine Tree Land Development Co., doing business as Klamath Forest Estates Unit No. 2 (affects Parcel 2) (merchantable timber over 16" in diameter);
8. An agreement, including the terms and provisions thereof, between Mary I. Hodgins and William F. Kiehlmeier and Dorothy L. Kiehlmeier, dated September 5, 1973, recorded January 17, 1974, in Book M-74, at page 570, Microfilm Records; which Grantees DO NOT assume.
9. Mortgage, including the terms and provisions thereof, with interest thereon and such future advances as may be provided therein, given to secure the payment of \$500,000, dated April 21, 1964, recorded May 11, 1964, in Book 223, at page 160, between Pine Tree



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Land Development Co., a corporation, as Mortgagor, and Fred C. Ferro, as Mortgagee; said mortgage was assigned to S.E.C. COMPANY, an Oregon corporation, and recorded in Book M-72, at page 6218; which Grantees DO NOT assume.

10. Covenant, including the terms and provisions thereof, between Pine Tree Land Development Co., an Oregon corporation, and Tree Lake Development Co., an Oregon corporation, and Fred Ferro, recorded May 11, 1964, in Mortgage Volume 223 at page 168, Records of Klamath County, Oregon, which covenant contains a release clause wherein upon sale of each lot and purchase price paid in full, said mortgage shall be partially released).

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EXHIBIT B

Air conditioner in home and furnishings described in following units:

Unit A

1 lamp, mirror, 2 ashtrays, 4 chairs, table, bed complete, bed divan, dresser, bench, nite stand, refrigerator, stove, dishes and pots and silverware for 4, curtains, shower curtains, 3 blankets, 1 bedspread, 2 pillows, 2 sheets, 6 big towels, 8 hand towels, 5 washcloths, 1 dish towel, 1 throw pillow.

PORCH

2 metal chairs, 2 picnic tables, 1 metal table.

HOUSE

Counter office desk, Sears gas stove & oven, bed daveno, refrigerator in store room, hanging lamp in kitchen, chair in living room, white couch in living room.

Unit B

2 lamps, mirror, 2 ashtrays, chair, 3 pillows, 2 throw rugs, nite stand, bench, bed complete, dresser, 4 blankets, shower curtain, 3 heat lamps, 1 day bed, 1 wastebasket, curtains, 1 bedspread, 2 sheets, 2 pillow cases, 4 big towels, 4 wash cloths.

Unit C

Bed complete, 2 lamps, mirror, 4 chairs, nite stand, refrigerator, stove, dishes and silver for 4, pots, bench, 2 ashtrays, folding bed, dresser, T.V. table, curtains, shower curtain, 4 big towels, 4 hand towels, 1 dish towel, 4 wash cloths, 2 throw rugs, 2 waste baskets, 3 pillows, 2 bedspreads, 4 sheets, 3 pillow cases, 1 throw pillow, nite stand, 5 blankets.

STORE ROOM

11 ashtrays, 26 sheets, 35 pillows, 18 hand towels, 1 big towel, 1 wash cloth, 8 pot holders, 14 dishtowels, 2 pads lite bulk, 3 sets of pots, 3 frying pans, 1 coffee pot, 1 pitcher, 1 waste basket, 22 cups, 13 saucers, 7 plates, 5 bowls, 2/3 box bath soap, 1 box bath mats, 8 glasses, 3 piece flatware, 3 throw rugs, 2 bed pillows, 4 rugs, 2 couch covers, 1 space saver, 2 drainers & mats, 1 silverware tray, 1/2 box floortile, 2 brushes, various cleaning products.

STORE EQUIPMENT

1 Ice cream freezer, 1 cash register, 1 adding machine, 1 large cold box, all racks & shelving.

Tax statements to +  
Return to:  
Mr. & Mrs. William A. Wolfe  
Rt. 1 Box 584  
Bonanza, Ore. 97003

24

STATE OF OREGON, COUNTY OF KLAMATH; ss.

Filed for record at request of Transamerica Title Ins

this 6 day of June A.D., 1975 at 4:10 o'clock P.M., and duly recorded in

Vol. M 75, of deeds on Page 6365

\$24.00

WM. D. MILNE, County Clerk

By *[Signature]* Deputy