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Vol 76 Page 6306

CONTRACT OF SALE

PARTIES:

SELLER: LEE W. MOUNT and LOUISE A. MOUNT, husband and wife,
and B. ROGER CLARK and CLARA CLARK, husband and wife.

BUYER : LARRY P. MILLER and MARIAN A. MILLER, husband
and wife.

AGREEMENT:

Seller agrees to sell and Buyer agrees to buy the real
property and its appurtenances described as:

Lots One (1), Two (2), Three (3), Six (6)
and Seven (7) of Block Three (3), Chemult,
Klamath County, Oregon.

TOGETHER with personal property located therein.

PURCHASE PRICE: \$48,500.00.

DOWN PAYMENT RECEIVED BY SELLER: \$7,500.00.

CONTRACT BALANCE: \$41,000.00.

INTEREST RATE: Eight percent (8%) per annum, commencing July 15, 1971.

TERMS:

The contract balance shall be paid as follows:

Buyer shall pay the same to Seller at such place as Seller
may designate at the rate of \$500.00 per month, including interest,
for the months of March through November of each year, and payment of
\$300.00 per month, including interest, for the months of December,
January and February of each year; said payments shall be credited
first to accrued interest and then to the reduction of principal; the
first of said payments shall be made on or before the 5th day of
September, 1971, and a like payment on or before the 5th day of
each and every month thereafter until the full purchase price,
principal and interest is paid.

The Buyer shall have the privilege of increasing any payments
or prepaying the whole consideration at any time without penalty.

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WARRANTY OF POSSESSION:

Buyer shall be entitled to possession of said premises on the 15th day of July, 1971, and shall have the right to remain in possession so long as Buyer is not in default under the terms of this contract.

BUYER'S INSPECTION:

Buyer has purchased the property solely upon Buyer's own inspection and in its present actual condition and has not relied upon any warranties or representations made by the Seller or by any agent of the Seller.

WARRANTY OF TITLE:

Seller warrants and represents to the Buyer that Seller is purchasing the property from the WESTWAY PETROLEUM CO., a California Corporation, the fee simple title holder, and that said contract is in all respects current and paid to date and further that the Seller has the right to enter into a contract for the sale of the property.

PAYMENT OF SELLER'S LIENS:

Seller warrants that Seller will make all payments on any contracts, mortgages, liens, judgments, or other encumbrances outstanding which Seller has incurred during or prior to this contract as the same fall due except this year's taxes, and that in the event of Seller's failure so to do, Buyer shall have the right to make such payments and take credit on this contract at Buyer's option.

INSURANCE:

Buyer agrees that any buildings on the property will be kept insured by Buyer in favor of the Seller against loss or damage by fire with extended coverage in a company or companies satisfactory to Seller; Buyer will have the insurance on the property made payable to Seller as Seller's interest may appear; the insurance policy will be delivered to the Seller as soon as issued; the insurance will be

on a replacement cost basis. Seller and Buyer agree that said policy shall be changed by endorsement upon the execution of this Contract to show the insurable interest of the Buyer.

PAYMENT OF TAXES AND OTHER LIENS:

Buyer shall pay all taxes beginning the 1st day of August, 1971.

Buyer will pay all liens which Buyer permits or which may be lawfully imposed upon the property promptly and before the same or any part thereof become past due. In the event the Buyer shall allow the taxes or other assessments upon the property to become delinquent or shall fail to pay any lien or liens imposed or permitted upon the property as they become due, the Seller, without obligation to do so, shall have the right to pay the amount due and to add said amount to the contract balance, to bear interest at the rate provided herein.

REMOVAL OF IMPROVEMENTS:

No improvements placed on the property shall be removed before this Contract is paid in full.

USE OF PROPERTY:

Buyer agrees not to abuse, misuse or waste the property described in this contract and to maintain the property in good condition.

TITLE INSURANCE:

Seller agrees to furnish Buyer with a purchaser's policy of title insurance upon the execution of this contract showing good and merchantable title in Seller as of the date of this contract, subject to the usual exceptions contained in title insurance policies in this area.

BUYER'S DEED:

When the Buyer pays and performs this contract in full Seller shall give to Buyer, or Buyer's heirs or assigns, a good and sufficient Warranty Deed conveying good and merchantable title in fee simple, free and clear of encumbrances excepting liens and encumbrances suffered or permitted by the Buyer or Buyer's heirs or assigns.

SELLER'S REMEDIES:

In the event the Buyer shall fail to perform any of the terms, covenants, conditions or obligations of this Agreement, time of payment and performance being of the essence, the Seller shall, subject to the requirement of notice as hereinafter provided, have the right to exercise any of the following options:

(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.

(d) To declare this agreement null and void and to retain as liquidated damages the amount of the payments theretofore made under this agreement by Buyer, and any improvements made upon said premises, and all of the right, title and interest of the Buyer shall revert and revest in the Seller without any act of reentry or without any other act by Seller to be performed, and Buyer agrees to peaceably surrender said premises and the possession thereof to the Seller, or in default thereof the Buyer may, at the option of the Seller, be treated as a tenant holding over unlawfully after the expiration of a lease and may be ousted and removed as such.

The Buyer shall not be deemed in default for failure to perform the terms, covenants and conditions of this contract other than the failure to make payments as provided for herein until written notice of said default has been given by Seller to Buyer and Buyer shall fail to remedy said default within thirty (30) days after the giving

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of said notice. If Buyer shall fail to make payment in the manner and at the times as hereinabove provided and said failure to make payment shall continue for more than thirty (30) days after the same becomes due, the Buyer shall be deemed in default and Seller shall not be obligated to give notice to Buyer of a declaration of said default.

In addition to the aforementioned remedies, Seller shall have any and all other remedies under the law.

PAYMENT OF COURT COSTS:

If suit or action is instituted to enforce any of the provisions of this Contract, the prevailing party shall be entitled to such sums as the court may adjudge reasonable as attorney fees in said suit or action in any court including any appellate court, in addition to costs and disbursements provided by statute. Prevailing party shall also recover cost of title report.

WAIVER OF BREACH OF CONTRACT:

The parties agree that failure by either party at any time to require performance of any provision of this Contract shall in no way affect the right to enforce that provision or be held a waiver of any subsequent breach of any such provision.

ASSIGNMENT:

Buyer shall not sell or assign their interest in this Contract of Sale or the property herein contracted to be sold without the written consent of Seller having been first obtained; provided, however, consent of the Seller shall not be unreasonably withheld.

It is agreed that the premises sold herein are improved with a drive-in restaurant; the Buyer covenants and agrees that the fixtures and equipment in the restaurant, all of which are included

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in this sale, remain under the terms of this contract until the full purchase price, together with interest, have been paid. The Buyer covenants to take good and sufficient care of said property and to continue to operate it as a restaurant during the term of this Contract of Sale.

The property herein contracted to be sold has, in addition to the drive-in restaurant thereon, a dwelling house; the Seller agrees to lease said dwelling house from the Buyer for the next ensuing one-year period at a monthly rental of \$100.00 per month; such rent shall be payable in advance and the Buyer acknowledges receipt of the first month's rental in the amount of \$100.00 from the Seller.

ASSIGNMENT:

Buyer shall not sell or assign their interest in this Contract or the property herein contracted to be sold without the written consent of Seller having been first obtained; provided, however, consent of the Seller shall not be unreasonably withheld.

DATED this 29th day of July, 1971.

SELLER:

Lee W. Mount
Lee W. Mount

Louise A. Mount
Louise A. Mount

B. Roger Clark
B. Roger Clark

Clara Clark
Clara Clark

BUYER:

Larry P. Miller
Larry P. Miller

Marian A. Miller
Marian A. Miller

Copy
Louise Mount
Box 66
Chemult Ore
47731
Tapco Union Co. - same as before

STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 29th day of APRIL A.D., 1976 at 10:03 o'clock A.M., and duly recorded in Vol. M 76 of DEEDS on Page 6306.

FEE \$ 18.00

WM. D. MILNE, County Clerk

By Harold Hazel Deputy