

A-28320
This Agreement, made and entered into this 17th day of August, 1977 by and between
WILLIAM W. PETERSON and NORA J. PETERSON, husband and wife,
hereinafter called the vendor, and
WILLIAM GOMEZ and CONNIE R. GOMEZ, husband and wife,
hereinafter called the vendee.

WITNESSETH

Vendor S agrees to sell to the vendee S and the vendee S agrees to buy from the vendor S all of the following described property situate in Klamath County, State of Oregon, to-wit:

A parcel of land situated in the NE 1/4 NW 1/4 of Section 24, Township 31 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows: All of that portion of said NE 1/4 NW 1/4 lying Westerly of the Westerly right-of-way line of U. S. Highway 97 and North of the centerline of Sand Creek.

at and for a price of \$ 100,000.00, payable as follows, to-wit:

\$ 20,000.00 at the time of the execution of this agreement, the receipt of which is hereby acknowledged; \$----- with interest at the rate of ----- % per annum from ----- payable in installments of not less than \$----- per ----- exclusive of interest the first installment to be paid on the ----- day of ----- 19----- and a further installment on the ----- day of every ----- thereafter until the full balance and interest are paid.

SEE PROMISSORY NOTE ATTACHED HERETO.

Vendee agrees to make said payments promptly on the dates above named to the order of the vendor, or the survivors of them, at the Klamath County Title Company

at Klamath Falls, Oregon: to keep said property at all times in as good condition as the same now are, that no improvement now on or which may hereafter be placed on said property shall be removed or destroyed before the entire purchase price has been paid and that said property will be kept insured in companies approved by vendor against loss or damage by fire in a sum not less than \$ full ins. value with loss payable to the parties as their respective interests may appear, said policy or policies of insurance to be held Vendors copy to Vendees that vendee shall pay regularly and seasonably and before the same shall become subject to interest charges, all taxes, assessments, liens and incumbrances of whatsoever nature and kind. Taxes to be prorated as of August 15, 1977.

and agrees not to suffer or permit any part of said property to become subject to any taxes, assessments, liens, charges or incumbrances whatsoever having precedence over rights of the vendor in and to said property. Vendee shall be entitled to the possession of said property as of August 15, 1977.

Vendor will on the execution hereof make and execute in favor of vendee good and sufficient warranty deed conveying a fee simple title to said property free and clear as of this date of all incumbrances whatsoever, except reservations, restrictions, easements and rights of way of record and those appurtenant upon the land;

which vendee assumes, and will place said deed

together with one of these agreements in escrow at the Klamath County Title Company

at Klamath Falls, Oregon, and shall enter into written escrow instruction in form satisfactory to said escrow holder, instructing said escrow holder that when, and if, vendee shall have paid the balance of the purchase price in accordance with the terms and conditions of this contract, said escrow holder shall deliver said instruments to vendee, but that in case of default by vendee said escrow holder shall, on demand, surrender said instruments to vendor.

Escrow fees shall be deducted from the first payment made hereunder. The escrow holder may deduct cost of necessary revenue stamps from final payments made hereunder.

In the event vendee shall fail to make the payments aforesaid, or any of them, punctually and upon the strict terms and at the times above specified; or fail to keep any of the other terms or conditions of this agreement, time of payment and strict performance being declared to be the essence of this agreement, then vendor shall have the following rights: (1) To foreclose this contract by strict foreclosure in equity; (2) to declare the full unpaid balance immediately due and payable; (3) To specifically enforce the terms of this agreement by suit in equity; (4) To declare this contract null and void, and in any of such cases, except exercise of the right to specifically enforce this agreement by suit in equity, all the right and interest hereby created or then existing in favor of vendee derived under this agreement shall utterly cease and determine, and the premises aforesaid shall revert and reversion in vendor without any declaration of forfeiture or act of reentry, and without any other act by vendor to be performed and without any right of vendee of reclamation or compensation for money paid or for improvements made, as absolutely, fully and perfectly as if this agreement had never been made.

Should vendee, while in default, permit the premises to become vacant, Vendor may take possession of same for the purpose of protecting and preserving the property and his security interest therein, and in the event possession is so taken by vendor he shall not be deemed to have waived his right to exercise any of the foregoing rights.

And in case suit or action is instituted to foreclose this contract or to enforce any of the provisions hereof, vendee agrees to pay reasonable cost of title report and title search and such sum as the trial court may adjudge reasonable as attorney's fees to be allowed plaintiff in said suit or action, and if an appeal is taken from any judgment or decree of such trial court, the vendee further promises to pay such sum as the appellate court shall adjudge reasonable as plaintiff's attorney's fees on such appeal.

Vendee further agrees that failure by vendor at any time to require performance by vendee of any provisions hereof shall in no way affect vendor's right hereunder to enforce the same, nor shall any waiver by vendor of such breach of any provision hereof be held to be a waiver of any succeeding breach of any such provision, or as a waiver of the provision itself.

In construing this contract, it is understood that vendor or the vendee may be more than one person; that if the context so requires the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine, and the neuter, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

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

It is understood and agreed by the parties hereto that there is a certain Contract of Sale dated March 23, 1973 between Joseph S. Ball & Evelyn M. Ball, as Sellers, and William Walter Peterson & Nora Peterson, as Buyers, covering subject property, which Contract of Sale shall be paid by Vendors and Vendors shall hold Vendees harmless thereon. In the event Vendors fail to pay said sums, Vendees herein shall have the right to pay same and claim credit upon this contract.

It is agreed that Vendees herein shall pay all taxes and insurance when due. However, in the event Vendees fail to pay the same, Vendors may, at their option, pay said taxes and insurance and add them back to the principal of this contract by presentation of paid receipts to the escrow holder herein. Said amounts so added to bear interest at the rate provided herein.

It is further agreed that as of the date of transfer of possession of the premises to the Vendees, the Vendor shall refrain directly or indirectly from carrying on a business similar to that involved in this transaction within the distance of twenty-five miles from the property described herein until 8-15-1982, with the except that Vendors may operate a gift shop business. The portion of the purchase price allocated as consideration for the foregoing covenant not to compete is \$10,000.

Witness the hands of the parties the day and year first herein written:

VANDENBERG AND BRANDSNESS
ATTORNEYS AT LAW
411 PINE STREET
KLAMATH FALLS, OREGON 97601
TELEPHONE 503/882-5501

CONTRACT OF SALE

The contract balance
as follows:

hereto:

A. Pursuant to the terms

in said promissory note, Vendees

month for the months of March, April,

event Vendees shall be relieved of each

the months of December, January and

C. In addition to the sum of

Vendees shall pay the sum of

on or before the 10th day of

D. Vendees shall

the unpaid balance

seals in witness

CONTRACT OF SALE - PAGE 3

The contract balance in the sum of \$80,000.00 shall be paid as follows:

A. Pursuant to the terms of the Promissory Note attached hereto.

B. In the alternative to the monthly payments called for in said Promissory Note, Vendees may pay the sum of \$933.33 per month for the months of March, April, May, June, July, August, September, October, November of each calendar year, and in that event Vendees shall be relieved of making monthly payments for the months of December, January and February of each year.

C. In addition to the regular payments called for above, Vendees shall pay the sum of \$20,000.00, exclusive of interest, on or before the 10th day of January, 1978.

D. Vendees shall have the right to prepay any portion of the unpaid balance of this contract without penalty of interest.

IN WITNESS WHEREOF the parties have set their hands and seals the day and year first hereinabove written.

William Gomez
Connie R. Gomez
William W. Peterson
Nora Peterson

STATE OF OREGON)
County of Klamath) ss. *Dee*, 1977.

Personally appeared the above-named WILLIAM W. PETERSON and NORA J. PETERSON, husband and wife, and WILLIAM GOMEZ and CONNIE R. GOMEZ, husband and wife, and acknowledged the foregoing instrument to be their voluntary act. Before me:

Dee
Notary Public for Oregon
My Commission expires: 8-19-79.

PROMISSORY NOTE

\$60,000.00

Chiloquin, Oregon
August 11, 1977

We, promise to pay to the order of WILLIAM W. PETERSON and NORA J. PETERSON, husband and wife, at Chiloquin, Oregon, the sum of \$60,000, with interest thereon at the rate of 7 percent per annum from August 15, 1977 until paid, payable in monthly installments of not less than \$700.00 in any one payment; interest shall be paid monthly and is included in the minimum payments above required; the first payment to be made on the 15th day of Sept., 1977, and a like payment on the 15th day of each month thereafter until the whole sum, both principal and interest is paid in full

If any of said installments is not so paid, all principal and interest to become immediately due and payable at the option of the holder of this note. If this note is placed in the hands of an attorney for collection, we premise and agree to pay holder's reasonable attorney's fees and collection costs, even though no suit or action is filed hereon; however, if a suit or an action is filed, the amount of such reasonable attorney's fees shall be fixed by the court, or courts in which the suit or action, including any appeal therein, is tried, heard or decided.

William W. Peterson
Nora J. Peterson

After recording return to Klamath County Title co.

Mail Tax statements to: Mr. and Mrs. William Gomez
P.O. Box 68
Chiloquin, OR 97624

STATE OF OREGON; COUNTY OF KLAMATH; ss.
I, _____, Clerk of said County, do hereby certify that the foregoing was duly recorded at request of _____ Klamath County Title Co.
this 12th day of AUGUST 1977 at 1:30 p.m. and
duly recorded in Vol. M77 of DEEDS Page 14713
FEE 9.00 By *David C. [Signature]*
W. D. [Signature] County Clerk