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CONTRACT OF SALE

MTC 4189-m
Vol. ^M 71 Page 20570

THIS CONTRACT OF SALE, made and entered into this 30th day of September, 1977, by and between PHIL C. CANTONWINE and MARY A. CANTONWINE, husband and wife, hereinafter called Sellers, and ANTOINETTE HUGHES and DIETER SEIBOLD, tenants in common, hereinafter called Buyers,

W I T N E S S E T H :

That the Sellers agree to sell to Buyers, and Buyers agree to buy from Sellers all of the following described real and personal property, to-wit:

A tract of land situated in the W $\frac{1}{2}$ of the NW $\frac{1}{4}$ of Section 20 and the E $\frac{1}{2}$ of the NE $\frac{1}{4}$ of Section 19, Township 28 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point on the Westerly right of way line of the Dalles-California Highway No. 97 as the same is now relocated and constructed which point bears South along the section line 1870.10 feet, East 328.20 feet, and North 327.50 feet from the section corner common to Sections 17, 18, 19 and 20, of said Township and Range, said point marked by a 3/4" iron pipe and also marking the point of beginning of a tract of land conveyed to Phillip Cantonwine from the Crown Zellerbach Corporation; thence North 71°30' West along the boundary of said tract 304.88 feet to a 5/8" iron rod; thence North 16°55' East 173.58 feet to a 1" bolt in Miller Creek; thence Northwesterly along the center of Miller Creek 165 feet, more or less, to the South right of way of Holliday Lane; thence Westerly along the South right of way of said lane 75 feet, more or less, to the Northeast corner of the Beaver Marsh Airstrip property; thence Southerly along the Easterly line of said airstrip 742.60 feet; thence Southeasterly still along the airstrip property, 259 feet to the West line of a tract of land conveyed to Ted Crowley by Thomas E. Elms; thence Northeasterly along the West line of said tract 136 feet to the Northwest corner of said tract; thence Southeasterly along the North line of said tract 196.10 feet to the Westerly right of way of the Dalles-California Highway; thence Northeasterly along the Westerly right of way of said highway, 296 feet to the point of beginning.

SUBJECT, HOWEVER, TO THE FOLLOWING:

- (1) Taxes for the fiscal year 1977-1978, a lien but not yet due and payable.
- (2) Rights of the public in and to any portion of the herein described property lying within the limits of the Dalles-California Highway.
- (3) Limited access provisions contained in Deed to the State of Oregon, by and through its State Highway Commission, which provides that no right or easement of right of access to, from or across the State Highway other than expressly therein provided for shall attach to the abutting property.

CONTRACT OF SALE
Page -1

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Recorded: December 10, 1954 in Volume 271, page 112, and amended November 23, 1956 in Volume 288, page 120, all Deed Records of Klamath County, Oregon.

(4) Limited access provisions contained in Deed to the State of Oregon, by and through its State Highway Commission, which provides that no right or easement of right of access to, from or across the State Highway other than expressly therein provided for shall attach to the abutting property.

Recorded: November 17, 1954 in Volume 270, page 485, Deed Records of Klamath County, Oregon.

(5) Subject to the requirements and provisions of ORS Chapter 481 pertaining to the reistration and transfer of ownership of a Mobile Home, and any interests or liens disclosed thereby.

TOGETHER WITH all equipment, furnishings, fixtures and inventory of said business, a more particular description of which is set forth in Exhibit "A" attached hereto and by this reference incorporated herein, together with a 1956 Spart Mobile Home, Serial Number 445AG1127.

ENCUMBRANCES: It is understood and agreed that the subject real property is to be conveyed free and clear of any and all encumbrances, liens, clouds on title or other impediments to marketability of title, except as follows:

(1) Mortgage, including the terms and provisions thereof, given to secure an indebtedness with interest thereon and such future advances as may be provided therein.

Dated: March 21, 1966

Recorded: March 21, 1966 in Volume M66, page 2402, Microfilm Records of Klamath County, Oregon

Amount: \$14,500.00

Mortgagor: Wilson C. Elms and Doris M. Elms, husband and wife

Mortgagee: United States National Bank of Oregon, a national banking association, which Buyers do not assume and agree to pay, and Sellers further covenant to and with Buyers that the said prior mortgage shall be paid in full prior to, or at the time this contract is fully paid, and that said above described real property will be released from the lien of said mortgage upon payment in full of this contract.

ALSO TOGETHER WITH the assumed business name of "Holiday Village Motel and Trailer Park";

ALL at and for a total purchase price of ONE HUNDRED TWO THOUSAND AND NO/100 DOLLARS (\$102,000.00) payable as follows:

(1) TWENTY-TWO THOUSAND AND NO/100 DOLLARS (\$22,000.00) cash on exercise hereof, receipt of which is hereby acknowledged.

(2) The balance of EIGHTY THOUSAND AND NO/100 DOLLARS (\$80,000.00) with interest at the rate of 7½% per annum from September 30, 1977, payable in monthly installments of not less than \$659.00 per month, inclusive of interest, with the first payment due on the 30 day of November, 1977, and a like installment on the 30 day of every month thereafter until the balance, and interest, is fully paid. It is further hereby agreed by and between the parties hereto that when the mortgage dated March 21, 1966, to the United States National Bank of Oregon is paid in full then the payments shall be in the sum of \$550.00 per month. All payments due hereunder shall be made to Sellers at the United States National Bank of Oregon, Chiloquin Branch,

CONTRACT OF SALE

Page -2

Chiloquin, Oregon 97624, herein designated as escrow agent.

INTEREST: Buyers shall pay interest on all deferred balances at the rate of 7½% per annum until paid, interest to commence September 30, 1977.

PRE-PAYMENT: The Buyers shall be entitled to make prepayments without penalty after December 31, 1977, except that in no year shall the principal paid exceed 30% in principal in any one tax year without a prepayment penalty.

However, no prepayment shall be credited in lieu of any regular future installment nor excuse Buyers from making the regular installment payments specified in this contract until the full sum of both principal and interest is paid.

TAXES AND LIENS: Except as herein expressly provided to the contrary, all current taxes and other assessments on the properties shall be prorated between the parties as of the date of September 30, 1977. Buyers agree to pay all such taxes and assessments thereafter levied before they become delinquent.

Buyers further agree to pay and discharge of record all other liens which may thereafter be claimed or imposed against said property, or any part thereof, within thirty (30) days after the filing thereof or shall supply assurances satisfactory to Sellers that said liens, or any judgments entered thereon, will be paid and discharged of record.

POSSESSION: Buyers shall be entitled to possession of the above-described real and personal property as of October 30, 1977, and may retain such possession only so long as Buyers are not in default herein.

PERSONAL PROPERTY: The personal property described herein is hereby transferred by Bill of Sale. Buyers agree that they will keep said personal property in good condition and repair and will replace any property which shall become broken or worn out with articles of like kind and value. All such replacements and property acquired by exchange and all other personal property hereafter acquired shall be subject to and collateral for the security interest of Sellers in this personal property.

REPRESENTATION: Buyers certify that this Contract is accepted on the basis of Buyers' own examination and personal knowledge of the properties and opinion as to the value thereof; that the only material representations and warranties inducing this transaction are those expressly set forth herein; that no agreement or promise to alter, repair or improve said properties has been made by Sellers or any agent of Sellers; and Buyers hereby agree to take said properties and the improvements thereon in the condition they are in at the time of execution of this Contract of Sale. Buyers agree to keep said properties and the improvements in a good condition of repair and maintenance, and Buyers will commit no waste thereof.

SELLERS' WARRANTIES: Sellers covenant with Buyers as follows: Except as expressly provided herein to the contrary, Sellers are the sole owner of said properties and seized in fee simple of the above-described real and personal property; that Sellers' title to the same is marketable; that Sellers have a right to transfer title to the same and possession thereof; that the properties are presently free from all matured and inchoate liens, charges and encumbrances whatsoever, except as the same may be

CONTRACT OF SALE

Page -3

noted in this contract; that Buyers shall have quiet enjoyment of the properties and that Sellers will warrant and defend the same against all lawful claims and demands whatsoever, except as stated herein.

TITLE INSURANCE: The Sellers agree that at their expense they will furnish unto Buyers a title insurance policy insuring in an amount equal to said purchase price marketable title in and to said premises as of the date of this Contract of Sale.

INSURANCE: At Buyers' expense, they will insure and keep insured all buildings now or hereafter erected on said premises against loss or damage by fire, with extended coverage, in an amount not less than \$80,000.00, in a company or companies satisfactory to the Sellers, with loss payable first to the Sellers then to the Buyers as their respective interest may appear and all policies of insurance to be delivered to the Sellers as soon as insured.

ASSIGNMENT: Buyers shall not sell, transfer or assign this contract or any right or interest therein without first obtaining the written consent of the Sellers, and no sale, transfer or assignment of this contract shall be valid or recognized by any person for any purpose unless Sellers' consent be obtained in writing; any such consent given pursuant hereto shall not be construed as any representation or agreement by Sellers concerning the condition or degree of the right or interest reported to be sold, transferred or assigned by any such sale, transfer or assignment, consented to by Sellers, and any breach of the terms or provisions of this paragraph by Buyers may be deemed by Sellers to be a default in the terms thereof, and Sellers shall have the right to declare all sums then remaining unpaid on this contract immediately due and payable, and if not so paid, shall have the right to foreclose this Contract of Sale. Consent of Sellers to transfer shall not be unreasonably withheld.

DEFAULT: If Buyers fail to make any of the payments herein stated within thirty (30) days of the specified payment date, or if the Buyers fail to perform any of the other terms, covenants or conditions of this Contract of Sale, and if any such default in payment or performance shall remain uncorrected by Buyers for thirty (30) days after written notice of such default has been given by certified mail by Sellers to Buyers at the Buyers' last known post office address, (provided always, that NO NOTICE WHATSOEVER SHALL BE REQUIRED OF SELLERS FOR ANY DEFAULT IN PAYMENT OF ANY DEFERRED INSTALLMENTS OF PURCHASE PRICE), time of payment and strict performance in all things being of the essence of this contract, Sellers shall have the following rights:

(1) To declare the entire unpaid balance of the purchase price, both principal and interest, immediately due and payable and to exercise any of the following options:

- (a) To sue for the unpaid balance then due on this contract;
- (b) To foreclose this contract by strict foreclosure in equity; and to the appointment of a receiver during the pendency of the suit;
- (c) To sue for specific enforcement of this contract:

(2) or, to declare this contract null and void and to retain as liquidated damages the payments theretofore made under

CONTRACT OF SALE

Page -4

this contract by Buyers, and any repair and improvements made upon said properties. If Sellers shall so elect to declare this contract null and void as hereinabove provided, all of the right, title and interest of Buyers shall immediately revert to and revest in Sellers without any other act by Sellers to be performed and without any right of Buyers of reclamation or compensation for money paid or repairs or improvements added, as absolutely, fully and perfectly as if no contract had ever been made, and Buyers agree to surrender peaceably said properties and the possession thereof to Sellers, or in default thereof Buyers may, at the option of the Sellers, be treated as a tenant holding over unlawfully after expiration of a lease and may be ousted and removed as such. Provided always that the recitation of remedies herein shall not be deemed exclusive and shall not bar the parties from any other or additional or supplemental remedy or remedies afforded at law, in equity, or otherwise.

DELINQUENT CHARGES: If Buyers shall fail to pay any assessments, liens, insurance premiums, or any other expense necessary to preserve Sellers' lien hereby retained, and the value and priority thereof, Sellers, without obligation to do so, and without waiver of Buyers' default, have the right to pay the same, and treat the amount so paid as a debt due and owing from Buyers to Sellers, secured by the lien of this contract, and to bear interest at contract rate per annum until paid.

WAIVER: No waiver of a breach of any covenant, term or condition of this contract shall be a waiver of any other or subsequent breach of the same, or any other term, covenant or condition, or as a waiver of the term, covenant or condition itself; nor shall such waiver require any notice of any kind to be given to reinstate the defaulted term, covenant or condition, or to make time and strict performance again of the essence.

PARTIES: The obligations of the undersigned are joint and several, and wherever the context hereof so admits or requires, the singular shall include the plural. This Contract of Sale contains the entire agreement of the parties and cannot be modified except upon written agreement. This contract shall benefit and bind the heirs, executors, administrators, successors and assigns of the parties.

ATTORNEY'S FEES: Should suit, action or other legal proceeding be instituted to declare or enforce any right created by this instrument, the prevailing party therein shall be entitled to the costs and disbursements provided by statute, and such other sum as the Court may adjudge reasonable for attorney's fees.

PRIOR AGREEMENTS: This document is the entire, final and complete contract of the parties pertaining to the sale and purchase of the real and personal property, and supersedes and replaces all written and oral contracts heretofore made or existing by and between the parties or their representatives insofar as the property is concerned.

GENERAL PROVISIONS:

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

(2) Each demand, notice or other communication shall be served or given by mail or telegraph addressed to the party at their mailing address set forth herein. For purposes of Notice, Sellers' address shall be Star Route, Box 82, Chemult, Oregon 97731. Buyers' address shall be Star Route, Box 95, Chemult, Oregon 97731.

Reasonable notice, when notice is required shall be ten (10) days.

TRUTH IN LENDING: The parties agree that this transaction is a sale and purchase for business use and no disclosure statement is necessary under any federal or state trust in lending statute.

SPECIAL PROVISIONS: The property is presently subject to a mortgage which is set forth in this Contract of Sale on page 2, in favor of the United States National Bank of Oregon, Chiloquin Branch, Chiloquin, Oregon, and executed by Wilson C. Elms and Doris M. Elms, husband and wife. Sellers covenant that the said prior mortgage shall be paid in full prior to, or at the time this contract is fully paid, and they further covenant that they will hold Buyers harmless therefrom. If Sellers should receive notice of breach of any of the terms of such instrument, Sellers shall immediately forward a copy of such notice to Buyers.

In the event Sellers fail to make any payments required by such instrument, Buyers, at Buyers' option, may make any or all of the payments payable by Sellers hereunder, directly to the mortgage until such obligation is satisfied. Such payment shall be credited on the balance of the purchase price hereunder as though paid directly to Sellers.

ESCROW ARRANGEMENTS: As soon as practicable following the execution of this Contract of Sale, Sellers shall deliver in escrow to the United States National Bank of Oregon, Chiloquin Branch, Chiloquin, Oregon 97624 the following:

- (1) Recorded Contract of Sale.
- (2) Unrecorded Warranty Deed.

The parties hereby instruct said Escrow Agent to receive for Sellers' account the balance of the installment payments provided herein. Said Escrow Agent is further authorized and instructed that it is to close the escrow and deliver the documents to the parties entitled thereto at such time as all sums called for hereunder, including interest, have been fully and completely paid by Buyers.

Said Escrow Agent is further directed and instructed to deduct from the payments made by Buyers the sum of \$109.00 to apply to United States National Bank of Oregon's mortgage dated March 21, 1966, account number 314847, and the balance of _____ to be deposited to Sellers' account number 520999 with your association.

If Buyers fail to pay any installment before the expiration of thirty (30) days after the due date thereof, the Escrow Agent is authorized to surrender to Sellers, upon demand, after proof of written notice to Buyers, all of the documents specified in the preceding paragraphs, thereby terminating the escrow.

EXECUTED IN QUADRUPLICATE, ONE COPY OF WHICH WAS DELIVERED TO AND RETAINED BY THE BUYERS, this 30th day of September, 1977.

Phil C. Cantonwine
Phil C. Cantonwine

Mary A. Cantonwine
Mary A. Cantonwine

SELLERS

Antoinette Hughes
Antoinette Hughes

Dieter Seibold
Dieter Seibold

BUYERS

20676

STATE OF OREGON)
County of Klamath) ss.

Personally appeared the above-named PHIL C. CANTONWINE and MARY A. CANTONWINE, husband and wife, and acknowledged the foregoing instrument to be their voluntary act and deed.

Before me:

[Signature]
Notary Public for Oregon
My Commission Expires: 5/26/78

STATE OF CALIFORNIA)
County of Los Angeles) ss.

m Personally appeared the above-named ANTOINETTE HUGHES and ~~DIETER SEIBOLD~~ and acknowledged the foregoing instrument to be their voluntary act and deed.

Before me:



Marguerite Harrison
Notary Public for California
My Commission Expires: 7-2-1979

STATE OF OREGON,)
County of) ss.

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

BE IT REMEMBERED, That on this 27 day of October, 1977, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Dieter Seibold

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.

[Signature]
Notary Public for Oregon
My Commission expires: 5/26/78

CONTRACT OF SALE
Page -7

After Recording Return to:
MTC

STATE OF OREGON; COUNTY OF KLAMATH; ss.
Filed for record at request of Mountain Title Co.
his 28th day of October A. D. 1977 at 10:09 o'clock A. M., and
fully recorded in Vol. M77, of Deeds on Page 20670
Wm D. MILNE, County Clerk
By Bernice H. Lettsch

\$ 21.00