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LAND SALE CONTRACT

THIS AGREEMENT, made and entered into this 1st day of January, 1978, by and between ERNEST R. SESSOM and DORIS C. SESSOM, husband and wife, hereinafter called SELLERS, and the CITY OF KLAMATH FALLS, a municipal corporation of the State of Oregon, hereinafter called PURCHASER;

W I T N E S S E T H:

In consideration of the covenants herein exchanged between the parties hereto, and in consideration of the sum of One Hundred Fifty Thousand Dollars (\$150,000.00), to be paid by PURCHASER as hereinafter provided, SELLERS agree to sell to PURCHASER, and PURCHASER agrees to buy, the following described real property situate in the County of Klamath, State of Oregon, and within the City corporate limits of the City of Klamath Falls, to wit:

Lots 1 and 8 in Block 40 of ORIGINAL TOWN OF LINKVILLE, NOW CITY OF KLAMATH FALLS, Klamath County, Oregon.

PURCHASER agrees to pay to SELLERS the sum of One Hundred Fifty Thousand Dollars (\$150,000.00), Fifteen Thousand Dollars (\$15,000.00) of which has been paid as a downpayment upon the execution hereof, receipt of which is hereby acknowledged by SELLERS, and the balance of One Hundred Thirty-Five Thousand Dollars (\$135,000.00) shall be paid in installments as per the following schedule, bearing eight per cent (8%) interest:

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<u>DATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL PAY</u>
June 1, 1978	\$15,000.00	Interest Due	Prin + Int. (From Jan. 1, 1978)
Dec. 1, 1978	10,000.00	\$4,800.00	\$14,800.00
June 1, 1979	Same	4,400.00	14,400.00
Dec. 1, 1979	Same	4,000.00	14,000.00
June 1, 1980	Same	3,600.00	13,600.00
Dec. 1, 1980	Same	3,200.00	13,200.00
June 1, 1981	Same	2,800.00	12,800.00
Dec. 1, 1981	Same	2,400.00	12,400.00
June 1, 1982	Same	2,000.00	12,000.00
Dec. 1, 1982	Same	1,600.00	11,600.00
June 1, 1983	Same	1,200.00	11,200.00
Dec. 1, 1983	Same	800.00	10,800.00
June 1, 1984	Same	400.00	10,400.00

until the whole of principal and interest are paid.

SELLERS shall be entitled to remove the following listed fixtures no later than March 15th, 1978:

<u>ADDRESS</u>	<u>ITEMS</u>
834 Main Street	Nothing
836 Main Street	Nothing
840 Main Street	Lease hold improvements Awning and rack Gas heater Water tank 36 light fixtures
120 So. 9th Street	Front door
122 So. 9th Street	Overhead light fixtures
833 Klamath Avenue	Front Door and jam 48 8' light fixtures 6 4' light fixtures 14 office doors 1 water fountain 4 toilets 2 urinals 4 wash basins 1 kitchen sink 1 air conditioner 1 water tank drapes on front windows

a) PURCHASER shall have the right to prepay on the contract without penalty, with such payment to be applied first to accrued interest and the balance to principal. However, no prepayment shall be credited in lieu of any future installment payments specified in the contract until the full sum of both principal and interest is paid.

b) It is understood that the full balance due under the contract is to be paid on or before June 10, 1984.

c) PURCHASER shall be entitled to possession of the premises on or before January 2, 1978.

LIENS

PURCHASER shall not allow any liens or encumbrances arising out of work performed, materials furnished, or obligations incurred by PURCHASER, to attach to the above-described real property. PURCHASER shall not permit or suffer any liens or encumbrances to attach to the above-described premises.

FUND LIMITATIONS

SELLERS and PURCHASER agree that all payments to be made to SELLERS shall be made from revenues of collections established under the City of Klamath Falls Ordinance No. 6121, as amended, this being the ordinance establishing a parking district in the City of Klamath Falls. SELLERS agree that their sole recourse for payment is to this fund and that the entering into of this agreement by PURCHASER in no way creates a general obligation on behalf of PURCHASER.

EXISTING BUILDING

SELLERS agree that PURCHASER has the right to remove the existing building from the above-described property and to turn said

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property into a parking lot immediately upon taking possession. SELLERS agree to accept the land in return should the project proposed fail after the destruction of the building and prior to the payment of any of the aforementioned payments scheduled, other than the initial downpayment, and to request no further payment in the way of damages should this occur, providing said PURCHASER has paid all expenses and all claims incurred in the destruction and removal of said building.

TAXES AND LIENS

All taxes levied against the property for the current tax year shall be prorated between the SELLERS and PURCHASER as of January 1, 1978.

DEED

- a) Upon the execution of this contract, SELLERS shall execute a warranty deed conveying said real property to PURCHASER free and clear of any encumbrances except as hereinabove set forth.
- b) SELLERS agree to order forthwith a title insurance policy in the amount of One Hundred Fifty Thousand Dollars (\$150,000.00), insuring PURCHASER against loss or damage sustained by reason of any defect in the title of SELLERS, and showing marketable title in SELLERS names.
- c) Upon full compliance with the terms of this contract by PURCHASER, and payment of said purchase price in full, together with interest due thereon, SELLERS shall deliver said warranty deed and PURCHASER's title insurance policy to the PURCHASER.

TIME

Time is material and of the essence thereof, and upon failure of PURCHASER to make any of said payments as agreed on the

date due, SELLERS shall give a thirty (30)-day written notice to PURCHASER of their option to terminate the contract for failure to observe the covenants of this contract should payment not be made within said 30 days.

NOTICE

Thirty (30) days' notice of such election to terminate this contract shall be given in writing by SELLERS to PURCHASER; for the purpose of giving notice to PURCHASER in case of such default in payment, it shall be sufficient if such notice is properly mailed through the United States mail, "Registered Mail", to PURCHASER.

WAIVER

No waiver by SELLERS of any breach of this contract by PURCHASER shall be construed as a waiver of any subsequent breach.

COSTS AND ATTORNEYS FEES

If suit or action is taken to enforce any of the provisions of this contract, the party prevailing therein shall be entitled to recover from the other such sum as the Court may adjudge reasonable as attorneys fees therein, including any appeal thereof, in addition to all other sums provided by law.

SUCCESSOR IN INTEREST

The terms of this agreement shall inure to the benefit of and be binding upon the survivors, heirs, personal representatives, successors and assigns of the respective parties hereto, except that there shall be no assignment of this contract or any interest herein by the PURCHASERS without the written consent of the SELLERS, which will not be unreasonably withheld, plus the payment of not

less than Thirty Thousand Dollars (\$30,000.00) or the principal balance remaining on this contract, whichever is the lesser, together with all interest due on this contract to the date of assignment.

TENANT REMOVAL

SELLERS agree to issue all necessary notices on or before closing so that any and all tenants on the above-described property will be removed within thirty (30) days after closing. If necessary, SELLERS agree to initiate and bear the costs of any action to remove hold over tenants.

RENTAL AND VACATION OF PREMISES

The parties agree SELLERS may rent the premises from PURCHASERS upon payment of a monthly rent of \$200.00 per month from January 1, 1978 until March 15, 1978. SELLERS agree to have vacated the premises by March 15, 1978 and PURCHASERS agree to prorate SELLERS' rent should the vacation occur prior to that date.

HOLD HARMLESS AGREEMENT

PURCHASER shall indemnify and hold SELLERS harmless from any suit, action, claim or demand arising out of injury to any person or property, or any liability in or about the premises caused by any act or omission of PURCHASER, his agents, employees, customers, patrons, licensees or invitees, or caused by any defects in or about the premises, whether due to the negligent or intentional act or omission of PURCHASER, or otherwise. PURCHASER agrees that at his expense, during the term of this contract, to carry, with a responsible insurance company, insurance that will insure PURCHASER and SELLERS for any liability against personal injury and damages

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on or about the premises. Proof of insurance coverage and an agreement by the insurer not to cancel the same without ten (10) days' prior notice to SELLERS shall be delivered by PURCHASER to SELLERS on or before the 2nd day of January for each year covered by this contract.

ADDRESSES

All information, notices or any documents required to be sent to the parties may be sent to the following addresses:

SELLERS: 1435 California Avenue, Klamath Falls, Oregon;

PURCHASER: 226 South Fifth Street, Klamath Falls, Oregon.

ENTIRE AGREEMENT

This contract constitutes the entire agreement between SELLERS and PURCHASER, and may not be modified except in writing and signed by all parties hereto.

Ernest R. Sessom
ERNEST R. SESSOM, Seller

George C. Flitcraft
GEORGE C. FLITCRAFT, Mayor

Attest:

Doris C. Sessom
DORIS C. SESSOM, Seller

Harold Derrah
HAROLD DERRAH, Recorder

STATE OF OREGON,

County of Klamath

ss.

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

BE IT REMEMBERED, That on this 19th day of January, 1978, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Harold Derrah

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.

Martha L. Lusk
Notary Public for Oregon.
My Commission expires 7-21-81

STATE OF OREGON,

County of Klamath

ss.

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

BE IT REMEMBERED, That on this 17th day of January, 1978,
before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within
named

George C. Flitcraft

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.

Martha L. Leach
Notary Public for Oregon.
My Commission expires 7-21-81

STATE OF OREGON,

County of Klamath

ss.

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

BE IT REMEMBERED, That on this 17th day of January February, 1978,
before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within
named

Ernest R. Sessom

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.

Martha L. Leach
Notary Public for Oregon.
My Commission expires 7-21-81

STATE OF OREGON,

County of Klamath

ss.

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

BE IT REMEMBERED, That on this 17th day of January February, 1978,
before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within
named

Doris C. Sessom

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

Martha L. Leach
Notary Public for Oregon.
My Commission expires 7-21-81

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Transamerica Title Co.

this 21st day of February A. D. 1978 at 10:50 A. M., and

fully recorded in Vol. M78, of Deeds on Page 3198

Wm D. MILNE, County Clerk

By *Martha L. Leach*

Fee \$24.00

return to TIA