

SALE AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of May, 1978, by and between SAMUEL J. SLIGHTOM aka SAM J. SLIGHTOM, 1505 Madison, Space #30, whose address is ~~336 Broad Street, Apartment 21~~, Klamath Falls, Oregon 97601, hereinafter called the Seller, which term includes the heirs, successors, administrators, executors and assigns of said person, and JAMES F. INMAN, JR., III, whose address is 615 California Street, Klamath Falls, Oregon 97601, hereinafter called the Buyer, which term includes the heirs, successors, administrators and executors of said person;

W I T N E S S E T H :

That Seller, for and in consideration of the covenants and agreements herein stated to be kept and performed by the Buyer, has agreed to sell and convey to Buyer, and the Buyer has agreed to purchase and to pay to Seller the sums of money hereinafter stated for all of the equipment, furnishings, fixtures and inventory now used by Seller in the operation of that certain business known as "Homes Four Rent" located in the City of Klamath Falls, State of Oregon.

SUBJECT TO: Real property taxes covering the period 1976-77-78.

ALSO TOGETHER with the assumed business name, "Homes Four Rent".

ALL at and for a total purchase price of Eighty-Five Thousand and 00/100 (\$85,000.00) Dollars, payable as follows:

(a) No down payment.

(b) The balance of \$85,000.00 is to be paid at the rate of \$765.01, or more, per month, including interest at the rate of 7% per annum, with the first payment to be due and payable on or before June 15, 1978, and subsequent payments due on or before the 15th day of each month thereafter until the full balance of principal and interest has been fully paid and satisfied. Buyer shall have the right to prepay the balance in full without penalty.

It is understood and agreed that from the monthly payments hereinabove provided for there shall first be deducted interest at the rate of 7% per annum then accrued on any of the unpaid balance of the principal indebtedness, and thereafter the remaining portion of said installment shall apply in reduction of the principal balance. Interest on the unpaid balance shall be payable from and

after May 1, 1978.

All payments due hereunder shall be made to the Seller at Western Bank, 421 South 7th Street, Klamath Falls, Oregon 97601, herein designated escrow agent.

It is further hereby agreed by and between the parties hereto that as part of this transaction Seller agrees to assign the following described real estate contracts, to-wit:

Escrow number IC 3636 escrowed at First National Bank of Oregon, 601 Main Street, Klamath Falls, Oregon, described as 613 Washington Street, Klamath Falls, Oregon and identified as contract dated October 1, 1976 between Wayne C. Church et ux, Seller, to Homes Four Rent, Buyer, with a present balance due and owing in the sum of \$7,649.50 with interest paid to 4-20-78.

Escrow number IC 3681 escrowed at First National Bank of Oregon, 601 Main Street, Klamath Falls, Oregon, described as 728 North 2nd Street, Klamath Falls, Oregon and identified as contract dated June 23, 1977 between Beverly Lewis aka Beverly Steppe, Seller, to Homes Four Rent, Buyer, with a present balance due and owing in the sum of \$10,293.65 with interest paid to 4-20-78.

Escrow number 4752 escrowed at First Federal Savings and Loan Association, 540 Main Street, Klamath Falls, Oregon, described as 230 East Main Street, Klamath Falls, Oregon and identified as contract dated August 16, 1977 between Charley F. Matlock aka Charley Matlock et ux, Seller, to Homes Four Rent, Buyer, with a present balance due and owing in the sum of \$8,795.10 with interest paid to 4-20-78.

Escrow number 4754 escrowed at First Federal Savings and Loan Association, 540 Main Street, Klamath Falls, Oregon, described as 1231-35 Adams Street, Klamath Falls, Oregon and identified as contract dated August 16, 1977 between Charley F. Matlock aka Charley Matlock et ux, Seller, to Homes Four Rent, Buyer, with a present balance due and owing in the sum of \$14,072.21 with interest paid to 4-20-78.

Escrow number 4071 escrowed at Western Bank, 421 South 7th Street, Klamath Falls, Oregon, described as 1938 Wantland Street, Klamath Falls, Oregon and identified as contract dated July 25, 1977 between Jack H. Stark and Harold F. Stark, Sellers, to Homes Four Rent, Buyer, with a present balance due and owing in the sum of \$4,094.34 with interest paid to 4-15-78.

It is further hereby agreed by and between the parties hereto that Buyer shall have the right to assign or sell any of the above entitled escrow accounts without the consent of Seller.

Buyer shall have the privilege of increasing any monthly payment or prepaying the whole consideration at any time provided that additional payments shall not excuse Buyer from making the regular monthly payments provided for in this contract until the remaining balance has been paid in full.

Buyer covenants and agrees as follows: That he will make said payments promptly on the dates above named to the order of Seller at: Western Bank, 421 South 7th Street, Klamath Falls, Oregon 97601; that he will keep said property, equipment, furnishings and fixtures of said business free of all liens and encumbrances of whatsoever nature that may arise after the date of this sale and will hold Seller harmless therefrom and reimburse Seller for any and all costs and attorney fees or any other expenses incurred in defending against any such claims. That Buyer will keep said property insured for the full amount of their insurable value in a company approved by Seller and with loss payable to the parties as their interest may appear; that he will pay regularly and seasonably as the same become payable and before the same shall become delinquent all taxes, assessments, liens and encumbrances of every kind and nature; that he will not suffer or permit any of said property to become subject to any taxes, assessments, liens, charges or encumbrances whatsoever having precedence over the rights of the Seller in and to said property.

It is further agreed by and between the parties hereto that Buyer assumes all outstanding debts as of May 1, 1978 of Homes Four Rent or any bills in connection with the partnership of said business as more fully set forth in the attached Exhibit "A" and by this reference incorporated herein.

It is further expressly understood and agreed that upon the execution of this agreement that Seller shall make and execute in favor of Buyer all assignments of contract, warranty deeds and amendment to escrows except on that certain real property described as the "Oak and Commercial Street Property", and on that property Seller agrees to enter into a bargain and sale deed with Buyer, and Seller agrees to give Buyer a warranty Deed to the "Oak and Commercial Street Property" upon payment to Seller of 50% of the balance of the contract which Buyer shall enter into in the near future. Seller further agrees to cooperate fully with Buyer in accomplishing any transfer of this property and not to unreasonably withhold Buyer from selling same in the event Buyer has an opportunity to do so; and that Seller shall execute his certificate of withdrawal of the assumed business name, "Homes Four Rent", together with the original recorded contract of sale which shall be placed in escrow at Western Bank, 421 South 7th Street, Klamath Falls, Oregon.

The personal property taxes and the insurance currently in force and effect on the premises will be prorated by and between Seller and Buyer as of May 1, 1978. Personal property taxes will be prorated based on the 1978 taxes when payable. Buyer has brought all taxes current and the taxes are paid in full for 1977-78.

Buyer shall be entitled to possession of said business known as "Homes Four Rent" on May 1, 1978. Seller shall record his certificate of withdrawal of assumed business name of "Homes Four Rent" forthwith upon transfer of possession of said property to Buyer.

Time is of the essence of this contract, Default shall occur if:

(a) Buyer fails to make any payment at the time required by this agreement;

(b) Buyer fails to perform any other obligation imposed by this contract and does not correct or commence correction of such failure within 30 days after receipt of written notice from Seller specifying the manner in which Buyer is in default; or

(c) Buyer becomes insolvent, a receiver is appointed

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to take possession of all or a substantial part of Buyer's properties, Buyer makes an assignment for the benefit of creditors or files a voluntary petition in bankruptcy, or Buyer is the subject of an involuntary petition in bankruptcy which is not dismissed within 90 days. If Buyer consists of more than one person or entity, the occurrence of any of these events as to any one person or entity shall constitute a default hereunder.

In the event of a default, Seller may take any one or more of the following steps:

(a) Declare the entire balance of the purchase price and interest immediately due and payable;

(b) Foreclose this contract by suit in equity;

(c) Specifically enforce the terms of this contract by suit in equity;

(d) Declare this contract null and void as of the date of the breach and retain as liquidated damages the amount of the payments previously made hereunder. In such event, all of the right, title and interest of Buyer to the property shall revert to and be vested in Seller without any act by Seller to be performed, and Buyer agrees to peaceably surrender the property to Seller. Should Buyer fail to so surrender the property, Seller may at his option treat Buyer as a tenant holding over unlawfully after the expiration of a lease and Buyer may be ousted and removed as such.

The remedies provided above shall be non-exclusive and in addition to any other remedies provided by law.

All demands, notices and notices of forfeiture may be personally served upon the parties or service thereof may be made by certified mail, addressed to the respective parties at the following addresses: That Seller's address is 336 Broad Street, Apartment 21, Klamath Falls, Oregon 97601. That Buyer's address is 615 California Street, Klamath Falls, Oregon 97601.

Buyer certifies that this contract of purchase is accepted and executed on the basis of his own examination and personal knowledge of the property and opinion of the value thereof; that no attempts have been made to influence his judgment; that no representations as to the condition or repair of said premises have been made by the Seller or by any agent of the Seller; that no agreement or promise to alter or repair or improve said premises has been made by the Seller or by any agent of the Seller; that Buyer takes said property and the improvements thereon in the condition existing at the time of this agreement.

In the event suit or action is instituted to enforce any of the terms of this contract, the prevailing parties shall be entitled to recover from the other parties such sum as the Court or Courts may adjudge reasonable as attorney fees at trial or on appeal of said suit or action, in addition to all other sums provided by law.

This document is the entire, final and complete agreement of the parties pertaining to the sale and purchase of the property described above, and supersedes and replaces all written and oral agreements heretofore made or existing by and between the parties or their representatives insofar as the property is concerned.

This agreement shall bind and inure to the benefit of, as the circumstances may require, the parties hereto and their respective

SALE AGREEMENT

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heirs, executors, administrators, successors and assigns.

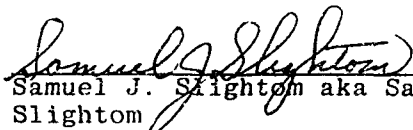
As soon as practicable after the execution of this agreement, the parties shall deliver to Western Bank, 421 South 7th Street, Klamath Falls, Oregon, in collection the following documents:

(a) Original Sale Agreement.

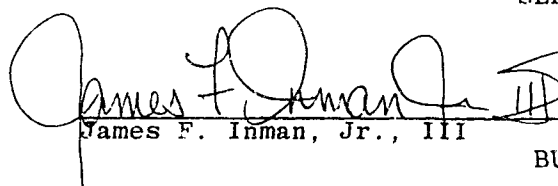
(b) Such collection instructions as shall meet with the approval of the above named escrow agent.

The parties instruct the above named escrow agent to receive for collection the installments provided for herein and to remit the same to Seller as Seller may from time to time direct. Seller retains a lien on said properties to secure Buyer's payment and performance hereof; but upon full and faithful payment and performance hereby by Buyer, title shall pass, and the escrow agent shall then deliver to Buyer all instruments deposited in escrow.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.


Samuel J. Slightom aka Sam J.
Slightom

SELLER

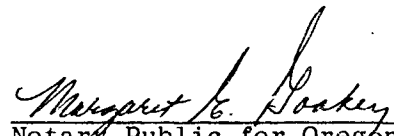

James F. Inman, Jr., III

BUYER

STATE OF OREGON)
) ss.
County of Klamath)

May 7, 1978

Personally appeared, before me, the above named Samuel J. Slightom aka Sam J. Slightom and James F. Inman, Jr., III and acknowledged the foregoing instrument to be their voluntary act and deed.

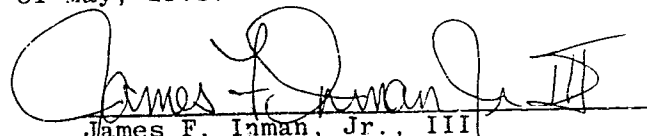

Notary Public for Oregon
My Commission Expires: 3-19-81

HOMES FOUR RENT
OUTSTANDING DEBTS

- | | |
|---|----------|
| 1. Empire Building Supplies
Main & Spring St.
Klamath Falls, Oregon | \$297.26 |
| 2. Kellstrom Bros.
1416 Main Street
Klamath Falls, Oregon | \$32.10 |
| 3. Basin Glass
1317 East Main
Klamath Falls, Oregon | \$2.70 |
| 4. Driscoll, Padgett & Hurley
724 Main St.
Klamath Falls, Oregon | \$84.00 |
| 5. Pacific Power & Light
500 Main St.
Klamath Falls, Oregon | \$56.46 |
| 6. City of Klamath Falls
Klamath Falls, Oregon
sewer fee | current |
| 7. Oregon Water Corp.
P. O. Box 237
Klamath Falls, Oregon | current |
| 8. California-Pacific Utilities
P. O. Box 310
Klamath Falls, Oregon | current |

I, James F. Inman, Jr., III hereby state that these are all of the outstanding bills as of May 1, 1978, and I hereby declare that I assume all of the responsibility for payment of any bills in connection with that certain business known as Homes Four Rent.

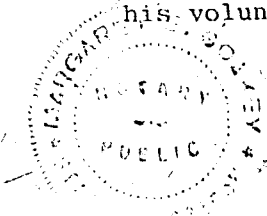
DATED this 1st day of May, 1978.


James F. Inman, Jr., III

STATE OF OREGON)
) ss.
County of Klamath)

May 1, 1978

Personally appeared, before me, the above named James F. Inman, Jr., III and acknowledged the foregoing instrument to be his voluntary act and deed.



*Return to
O W Hooley
431 Main
& Falls*

Margaret L. Hooley
Notary Public for Oregon
My Commission Expires: 3-19-81

STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 16th day of May A.D., 19 78 at 8:41 o'clock A.M., and duly recorded in Vol. 478, of Deeds on Page 10136.

FEE \$18.00

WM. D. MILNE, County Clerk

By Bernice M. Heltch Deputy