

38-15264  
50379

Vol. <sup>m</sup>78 Page 13189

SALE AGREEMENT

THIS AGREEMENT made and dated this 14 day of June, 1978, by and between

PAUL J. WILLARD and MARY LOU WILLARD,  
tenants by the entirety, as Sellers,

and

WILLIAM R. KENDALL, as Buyer,

W I T N E S S E T H, That:

(1) PROPERTY. For and in consideration of the payments and covenants to be made and performed by the parties, respectively, as hereinafter provided, Sellers agree to sell and convey conditionally, and Buyer agrees to purchase and pay for, the following described real property:

All of Section 15 and the North 1/2 of the North 1/2 and the North 1/2 of the Southeast 1/4 of the Northeast 1/4 of Section 22 all in Township 38 South, Range 11, 1/2 East of the Willamette Meridian in Klamath County, Oregon.

together with all personal property used in connection therewith, listed on Exhibit "A," attached hereto and incorporated herein by reference.

(2) PURCHASE PRICE. The purchase price for the property shall be \$330,000, payable as follows: \$40,000 down payment (\$15,000 of which is payable November 15, 1978, and \$25,000 of

which is payable upon delivery of this contract), with the balance payable in annual installments of \$29,539.40 or more, due on or before the 30th day of September of each year, beginning September 30, 1979, and continuing until September 30, 1988, when the entire unpaid purchase price and accrued interest thereon shall be paid in full. The unpaid purchase price shall draw interest at the rate of 8% per annum from June 9, 1978, until paid in full. Accrued interest for the period up to November 15, 1978, is payable as of that date and in addition to the balance of the down payment then due. Thereafter, interest shall be payable at the times of and included in the annual payments of \$29,539.40. Buyer agrees that he may not pay more than 29% of any of his obligations hereunder in any one year until after January 1, 1980. Thereafter, Buyer may prepay all or any part of his obligations hereunder.

(3) POSSESSION AND PRORATES. Buyer shall be entitled to possession of the property and real property taxes shall be prorated as of June 1, 1978.

(4) EXISTING MORTGAGES. The parties acknowledge that the property is subject to two existing mortgages as follows:

(a) Federal Land Bank of Spokane, dated March 28, 1974, having a principal balance due of approximately \$80,000.

(b) A second mortgage to Stanley N. Petersen and Naomi Janet Petersen, dated April 9, 1974, having a principal balance due of approximately \$28,000.

Sellers shall pay and perform the mortgages according to their terms and shall keep them in good standing and shall save Buyer harmless from any default in the performance thereof not caused by the Buyer. If Sellers fail to pay and perform the mortgages according to their terms, Buyer may, at his option, do so, and any payments so made by Buyer shall be credited against Buyer's obligation under this agreement.

(5) TAXES, ASSESSMENTS, INSURANCE AND LIENS. Buyer shall promptly pay all taxes and assessments on the property before delinquency thereof, and as each tax payment is made, Buyer shall furnish to Sellers a true copy of the tax collector's receipt.

Buyer shall keep all improvements on the property insured to their actual cash value against loss by fire, with extended coverage, and shall pay all premiums for the insurance promptly, and shall cause all policies for the insurance to show loss payable to the parties as their interests may appear. Buyer shall provide Sellers with a certificate evidencing such coverage, and shall also deliver to Sellers true copies of receipts showing payment of all insurance premiums.

Buyer shall not allow any mechanics' liens or materialmen's liens, or any other liens or encumbrances whatever superior to Sellers' rights, to be placed on the property, and if any liens or encumbrances shall be permitted to be placed thereon through or under Buyer, he shall immediately cause them to be satisfied and discharged, and shall at all times save Sellers and the property harmless from, and keep Sellers fully indemnified

against, loss on account of any and all liens and encumbrances.

If Buyer fails to pay any taxes, assessments, liens, encumbrances or insurance premiums as provided above, Sellers may, at their option, do so, and any payments so made shall be added to and become a part of the principal purchase price and shall bear interest at the rate of 12% per annum, without waiver, however, of any right arising to Sellers for breach of covenant.

(6) FARM TAX DEFERRAL. The property has been approved for special assessment as farm land and as a result thereof enjoys a deferred property tax status. If the deferred tax status should terminate for any reason whatsoever, and the deferred taxes then become due and payable, Sellers shall not be liable for such deferred taxes unless the termination was caused by or was a result of the acts or omissions of the Sellers.

(7) COLLATERAL SECURITY. As additional security for the performance of Buyer's obligations hereunder, Sellers shall have the following liens and security interests:

(a) A security interest in all the personal property listed in Exhibit "A."

(b) A security interest in all crops and accounts receivable.

Buyers shall execute all documents necessary to protect Sellers' interest herein, including mortgages, security agreements and the Uniform Commercial Code financing statements.

(8) TITLE INSURANCE. Within ten days of the date of closing this transaction, Sellers shall furnish, at their cost, to

Buyer, a policy of title insurance in the amount of the purchase price of the real property, in favor of Buyer, issued by an authorized company, showing marketable title to the property to be vested in Sellers, free from all encumbrances, except for:

- (a) Rights of the public in and to any portion of said premises lying within the limits of roads and roadways.
- (b) The within described premises have been assessed as farm land. If the land becomes disqualified for the special assessment under the statute, an additional tax may be levied for the years since October 5, 1978, in which the land was subject to the special land use assessment.
- (c) Easement for pipeline dated April 12, 1960, given to Pacific Gas Transmission Co., recorded November 21, 1960, in Book 325, Page 414, Mortgage Records, Klamath County, Oregon.

and the encumbrances listed on Exhibit "B" attached hereto and incorporated herein by reference, and subject to the usual printed exceptions in such policies and this contract. Sellers shall not be required to furnish any further title insurance to Buyer.

(9) WARRANTY DEED. Upon full payment of the purchase price and interest under this contract, Sellers shall execute and

deliver a deed conveying to Buyer the fee simple marketable title in all the property and warranting its title to be free from all encumbrances, except for exceptions (a) through (c) of paragraph (8) above and any defects or encumbrances caused or permitted by the Buyer.

(10) ASSIGNMENT. Except as to Robert Fisher, Buyer shall not assign this agreement, his rights hereunder or in the property covered hereby, without the written consent of Sellers, which shall not be unreasonably withheld.

(11) USE AND REPAIRS. Buyer shall maintain the property in good condition and repair and shall make no improper use of any part of the property.

(12) BREACH. In case Buyer fails to make the payments due hereunder, or any of them punctually and upon the strict terms and at the times above specified, or fails to keep any of the other terms or conditions of this agreement, time of payment and strict performance being declared to be of the essence of this agreement, then Sellers, after giving 30 days' written notice to Buyer, shall have the following rights: (1) to declare this agreement null and void; or (2) to declare the whole unpaid principal balance of the purchase price, with interest thereon, at once due and payable, or (3) to foreclose this agreement by suit in equity; and in the election of (1) above set forth, all the rights and interest hereby created or then existing in favor of Buyer derived under this agreement shall utterly cease and terminate, and the property shall revert and revest in Sellers,

without any declaration of forfeiture or act of reentry, or without any other act by Sellers to be performed and without any right of Buyer to reclamation or compensation for money paid or for improvements made, as absolutely, fully and perfectly as if this agreement had never been made. The parties are expressly given the right to compel specific performance of any or all of the covenants herein contained.

(13) REPRESENTATIONS. No representations have been made by Sellers to the Buyer concerning the title to, or the condition of, the property, and Buyer has made his own independent investigation, to his satisfaction, of such matters and is purchasing the property solely on the basis of that investigation.

(14) COMPLETE AGREEMENT. This document is the entire, final and complete agreement of the parties pertaining to the sale and purchase of the within described property and supersedes and replaces all written and oral agreements heretofore made or existing by and between the parties, or their representatives.

(15) ATTORNEY'S FEES. In case of any dispute concerning the provisions of this contract or the enforcement thereof, the prevailing parties in such dispute shall be entitled to, and the other parties shall pay, in addition to all costs and disbursements provided by statute, a reasonable attorney's fee. This provision shall apply whether or not suit or action is commenced, and, if suit or action is commenced, shall cover all costs, disbursements and fees incurred by the prevailing parties in all trial and appellate courts.

13196

(16) WAIVER. Buyer agrees that failure by Sellers at any time to require performance by Buyer of any provision hereof shall in no way affect Sellers' right hereunder to enforce them, nor shall any waiver by Sellers of any breach of any provision hereof be held to be a waiver of any succeeding breach of that provision or any other provision of this agreement.

(17) INTERPRETATION. The covenants, conditions and terms of this agreement shall extend to and be binding upon and inure to the benefit of the heirs, personal representatives, successors and assigns of the parties.

(18) TAX STATEMENTS. Until a change is requested, all tax statements shall be sent to the following address: William R. Kendall, 135 Lake St. S. Kirkland, Wash 98033  
Duly executed in duplicate.

Paul J. Willard  
Paul J. Willard

Mary Lou Willard  
Mary Lou Willard

SELLERS

William R. Kendall  
William R. Kendall

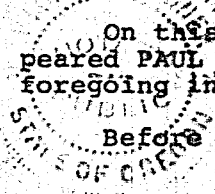
BUYER

13197

Marion County, Oregon - ss.

On this 14 day of June, 1978, personally appeared PAUL J. WILLARD and MARY LOU WILLARD and acknowledged the foregoing instrument to be their voluntary act and deed.

Before me:



(SEAL)

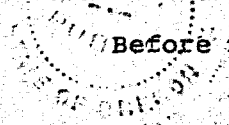
Vicki J. Connor  
Notary Public for Oregon

My commission expires: 8-27-80

Marion County, Oregon - ss.

On this 14 day of June, 1978, personally appeared WILLIAM R. KENDALL and acknowledged the foregoing instrument to be his voluntary act and deed.

Before me:



(SEAL)

Vicki J. Connor  
Notary Public for Oregon

My commission expires: 8/27/80