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LAND SALE CONTRACTVol. ^m 79 Page 3423

THIS AGREEMENT, made and entered into this 1st day of July, 1976, by and between WILLIAM R. GASS, hereinafter referred to as Seller, and SCHILL & SONS, INC., hereinafter referred to as Buyer;

W I T N E S S E T H:

1. DESCRIPTION OF PROPERTY. Seller agrees to sell to Buyer and Buyer agrees to purchase that certain land situated in Klamath County, State of Oregon, described as follows:

All of Lots 4, 5 and 6, and those portions of Lots 3, 7, 8, 9 and 10 lying westerly of the West right-of-way line of Highway 97, in Block 11 of Chelsea Addition to Klamath Falls, Klamath County, Oregon, together with that portion of the east half of vacated Chelsea Street adjacent to said Lots 1, 2, 3, 4, 5 and 6, said Parcel being all of Block 11 of Chelsea Addition to Klamath Falls, Klamath County, Oregon, lying westerly of the West right-of-way line of Highway 97.

2. PURCHASE PRICE AND TERMS. The purchase price of the property, which Buyer agrees to pay is the sum of THIRTY THOUSAND DOLLARS (\$30,000.00) payable as follows:

a. The sum of Five Thousand Dollars (\$5,000.00) as down payment which is to be paid upon execution of this Agreement;

b. The remaining balance of the purchase price amounting to Twenty Five Thousand Dollars (\$25,000.00) shall be paid in monthly installments of Two Hundred Fifty Dollars (\$250.00), including interest on the unpaid balance at the rate of nine percent (9%) per annum, with the first of said payments beginning on the 1st day of August, 1976, and subsequent installments to be paid on or before the same day of each and every month thereafter until the entire purchase price, including both principal and interest, comes due and is paid in full. WPG

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c. Time is of the essence of this Contract and payments are to be made to Seller at Route 3, Box 222, Eugene, Oregon, 97405.

3. INTEREST. The unpaid balance of the purchase price shall bear interest at the rate of nine percent (9%) per annum, and said interest shall commence on the 1st day of July, 1976; and all payments shall be applied first to the payment of interest and then to the payment of principal.
4. PREPAYMENT PRIVILEGES. Buyer shall have the privilege of increasing any monthly payment or prepaying the whole consideration at any time, provided that no additional payments shall be credited as regular future payments nor excuse Buyer from making the regular monthly payments provided for in this Agreement.
5. TAXES. All taxes levied against the above-described property shall be paid by Buyer as of the 1st day of January, 1976; and Buyer agrees that he will pay all taxes hereafter levied against said premises and all other governmental liens and assessments which may hereafter be lawfully imposed upon the property, all promptly and before the same or any part thereof become past due. Buyer shall annually submit evidence of tax payment to Seller.
6. POSSESSION. Buyer shall be entitled to possession of the property as of the date of execution of this Contract.
7. FIRE INSURANCE. Buyer agrees to keep any buildings constructed on the property herein described insured against loss by fire or other casualty, including but not limited to, extended coverage in an amount not less than _____

with loss payable to the parties hereto as their interests appear at the time of loss with priority in payment to the Seller. Any amount received by the above named parties under the insurance and payment of loss shall be applied upon the unpaid balance of the purchase price and reduce said unpaid balance to the extent of the amount of the insurance payment received by the parties. All uninsured losses shall be borne by Buyer on or after the date Buyer becomes entitled to possession. Proof of payment of fire insurance premiums shall be provided annually by the Buyer to the Seller.

8. CONVEYANCE. Upon full payment of the principal and interest provided for herein, and the full compliance by the Buyer with all other terms of this Agreement, Seller shall deliver over to Buyer or to Buyer's successors in interest a warranty deed to the property executed by Seller with Buyer as Grantee, conveying said property free and clear of all encumbrances, except for easements, reservations and restrictions of record.

9. PRIOR AGREEMENTS. This document is the entire, final and complete agreement of the parties pertaining to the sale and purchase of the property, and supercedes and replaces all written and oral agreements heretofore made or existing by and between the parties.

10. COVENANTS OF TITLE. Seller covenants that he is the owner of the above-described real property, free and clear of all encumbrances, except conditions, restrictions and easements of record.

11. IMPROVEMENTS, ALTERATIONS AND REPAIRS. Buyer agrees that

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all improvements now located or which shall hereafter be placed on the premises, shall remain a part of the real property and shall not be removed at any time prior to the expiration of this Agreement without the written consent of Seller. Buyer shall not commit or suffer any waste of the property, or any improvements thereon, or alterations thereof, and shall maintain the property, and all improvements thereon, and all alterations thereof, in good condition and repair.

12. DEFAULT PROVISIONS. In the event that Buyer shall fail to perform any of the terms of this Agreement, time of payment and performance being of the essence, Seller shall, at his option, subject to the requirements of notice as herein provided, have the following rights:

a. Seller may declare this Agreement terminated and at an end and upon such termination, all of Buyer's right, title and interest in and to the described property shall immediately cease. Seller shall be entitled to the immediate possession of the described property; all payments theretofore made by Buyer to Seller and all improvements or fixtures placed on the described property shall be retained by the Seller as liquidated damages; or, in the alternative,

b. Seller may, at his option, declare the entire unpaid principal balance of the purchase price, with interest thereon, at once due and payable, and foreclose this Agreement by strict foreclosure in equity, and Seller shall be entitled to the immediate possession of the said property; all payments theretofore or fixtures placed on the described real property shall be retained by the Seller as liquidated damages. Such right to possession in the Seller shall not be deemed inconsistent with the suit for strict foreclosure, but shall be in furtherance thereof;

c. Seller shall have the right to declare the entire unpaid principal balance of the purchase price, with interest thereon, at once due and payable, and in such event, Seller may either bring an action at law for the balance due, thereby waiving the security

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or in the alternative, may file suit in equity for specific performance of this agreement for such unpaid balance of principal and interest and have the property sold at judicial sale with the proceeds thereof applied to the court costs of such suits, attorney's fees, and the balance due Seller, and may recover a deficiency judgment against the Buyer for any unpaid balance remaining on this agreement.

d. In addition to the aforementioned remedies, Seller shall have any and all other remedies at law or in equity.

Default shall occur:

a. If Buyer fails to make any payment within ten days after it is due;

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

c. If Buyer becomes insolvent, a receiver is appointed 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 is the subject of an involuntary petition in bankruptcy which is not dismissed within 90 days.

For the purposes of this Agreement, notice shall be deemed to have been given by deposit in the mail of a certified letter containing written notice and addressed to Buyer at Route 3, Box 222, Eugene, Oregon.

13. SUCCESSOR INTERESTS. The covenants, conditions and terms of this agreement shall extend to and be binding upon and inure to the benefit of the heirs, administrators, executors and assigns of the parties hereto, provided, however, that nothing contained in this paragraph shall alter the restrictions hereinabove contained relating to assignment.

14. ATTORNEY'S FEES. In the event suit or action is brought

to enforce any of the terms of this agreement, the prevailing party shall be entitled to such sum as the Court in said suit or action shall deem reasonable as attorney's fees, and in the event an appeal is taken from the decision of the trial court, such further sum as may be fixed by the Appellate Court, as reasonable attorney's fees. 3428

15. ENTIRE AGREEMENT. This contract embodies the entire agreement of the parties with respect to the transaction herein set out, and there shall be no modification or alteration of the same unless it be in writing subscribed to by all parties hereto.

16. MECHANIC'S LIENS. The Buyer shall not allow any mechanic's liens to attach on the above described real property during the existence of this contract, and such an attachment is considered by the parties to be a material breach of this contract; further, the Buyer shall indemnify and hold the Seller and the property of the Seller, including the Seller's interest in the property, free and harmless from liability for any and all mechanic's liens or other expenses or damages resulting from any improvements, renovations, alterations, buildings, repairs, or other work placed on the property by Buyer.

17. WAIVER. Failure by Seller at any time to require performance by Buyer of any of the provisions hereof shall in no way affect Seller's rights hereunder to enforce the same, nor shall any waiver by Seller of any breach hereof be held to be a waiver by Seller of any succeeding breach, or a waiver of this non-waiver clause.

18. NON-ASSIGNMENT. This contract shall be binding upon and 3429
inure to the benefit of the parties, their successors and as-
signs, but no interest of Buyer shall be assigned, subcontracted,
or otherwise transferred, voluntarily or involuntarily, with-
out the prior written consent of Seller, which consent shall
not be unreasonably withheld. Consent be Seller to one trans-
fer shall not constitute consent to other transfers or waiver
of this provision.

IN WITNESS WHEREOF, the Parties hereto have executed
this Agreement on the 1st day of July, 1976.

SELLER:

William R. Gass
William R. Gass

BUYER:

Schill & Sons, Inc.
SCHILL & SONS, INC.
By Roland J. Schill, President
Roland J. Schill
Roland J. Schill, Individually
as Guarantor

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Schill & Sons Inc. P.O. Box 1461 Klamath Falls, Or. 97601
STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 13th day of
February A.D., 19 79 at 9:00 o'clock A M., and duly recorded in Vol M79
of Deeds on Page 3423.

FEE \$21.00

WM. D. MILNE, County Clerk

By Bernetha A. Keloch Deputy