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C O N T R A C T

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THIS CONTRACT, made this 20th day of July, 1979, by and between Dean Edgar Winter, hereinafter referred to as "Winter", and John Charles York, hereinafter referred to as "York",

W I T N E S S E T H:

That York is presently purchasing and has an equitable interest in real property in Klamath County, Oregon, more particularly described as,

Lot 7, Block 43, Tract 1184 Oregon Shores  
Unit #2, 1st addition,

and that York desires to develop said property.

That Winter has available funds in the sum of \$25,000.00 which he desires to invest.

That the parties desire to pool their above-mentioned resources in order to build a residence on said real property, and to thereafter sell said residence and real property and to split any and all net profits therefrom.

IT IS, THEREFORE, MUTUALLY AGREED AS FOLLOWS:

I

TRANSFER OF REAL PROPERTY

York promises and agrees to execute a Warranty Deed with regard to the hereinabove mentioned real property, transferring one-half of his interest therein to Winter, on or before August 1st, 1979. Consideration for said transfer is Winter's promise to perform all conditions of this contract.

From August 1st, 1979, until such time as the parties sell said real property, York and Winter shall be equally responsible

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for all payments on said property and for all taxes assessed against said property.

II

CONSTRUCTION OF RESIDENCE

It is agreed that the parties hereto shall work together to construct a residence on the hereinabove mentioned real property as follows:

- (a) The plans and specs for said residence shall be approved by both parties prior to any funds being expended for the construction of this residence; and
- (b) The cost of all permits which become necessary to construct said residence shall be equally shared by the parties at the time said permits are obtained; and
- (c) York shall devote his full time as a builder, to the construction of said residence, beginning no later than August 1, 1979, and shall continuously work on said residence until it has been completed. York shall maintain himself as a builder in good standing with the State of Oregon, and shall maintain a bond in the amount of not less than \$3,000.00, and
- (d) York promises and agrees that said residence shall be completed within 90 days from the start of construction, this being subject to extension should there be a reasonable delay to obtain necessary materials, and/or subcontractors to

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- complete said construction; and
- (e) Winter promises and agrees to pay for and deliver all necessary building materials for said residence to the building site; and
  - (f) Winter promises and agrees to pay for all labor costs necessary in the construction of said residence when said costs become due, including but not limited to a monthly advance to York in the sum of \$700.00, the first said advance to York shall begin within 30 days after construction of said residence has begun; and
  - (g) Winter shall have sole authority and responsibility to determine what subcontracted labor is necessary and to set the terms for employing said labor; and
  - (h) It is agreed that Winter shall not be responsible in excess of \$25,000.00 for the construction of said residence. Any funds necessary in excess of \$25,000.00 shall be equally supplied by the parties.

### III

#### SALE OF RESIDENCE

It is agreed that upon the completion of the foundation of said residence, it shall be listed in Klamath County Oregon, with the multiple listing realtor of Winter's choice.

It is agreed that York and Winter shall mutually determine the selling price for said residence and real property. If York and Winter cannot so mutually agree, each party shall hire a separate appraiser of good standing in this community, and the selling price shall be the average of the said two appraisals.

If said residence and real property has not sold within 15 days from the completion of said residence, either York or Winter may occupy said residence. The parties shall be equally responsible for all payments due on said land or residence prior to the sale thereof.

## IV

## PROFITS

It is agreed that the net profit from the sale of said residence and real property shall be equally divided between the parties. In determining that profit, the parties shall deduct from the sale price: (1) The costs of sale, and (2) Any and all monies expended by either party in the construction of said residence, or in payments expended on said real property, and (3) Any and all monies which York paid for said real property prior to this Contract. Said deductions shall be paid to the appropriate parties prior to determining net profit.

## V

## DEFAULT

Should York become in any way in default with the terms of this Contract, Winter shall have the right to complete construction of the residence, and to sell said residence and real property and to deduct from the net profit any and all costs necessitated by York's default.

Should Winter become in any way in default with the terms of this Contract, York shall have the right to complete the construction of the residence, and to sell said residence and real property and to deduct from the net profit any and all costs necessitated by Winter's default.

Should the parties mutually agree to terminate this Contract

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prior to the completion and sale of the residence and real property mentioned herein, they each shall own one-half of all assets, with each having credit for all monies expended to the date of default.

VI

DEATH OF A PARTY

Should York die prior to the completion of this Contract, any and all profits which become due to him hereunder shall be paid to his parents, Lewis A. York and/or Katherine York, to be held in trust for his minor daughter, Kristen Tierre York, to be given to her upon her reaching the age of majority.

Should Winter die prior to the completion of this Contract, any and all profits which become due to him hereunder shall be paid to his parents, Ralph A. Winter and/or Mary E. Winter.

VII

OPTION

It is agreed that should this Contract be completed to the satisfaction of both parties, Winter shall have the option to enter into a similar agreement with York within 90 days from the sale of the hereinabove mentioned residence and real property, with regard to one or more of the following pieces of real property in Klamath County, Oregon, which York has an equitable interest in:

Lot 15, Block 40, Tract 1184, Oregon Shores,  
Unit #2, First Addition

Lot 3, Block 36, Tract 1184, Oregon Shores,  
Unit #2, First Addition

Lot 3, Block 42, Tract 1184, Oregon Shores  
Unit #2, First Addition

## MISCELLANEOUS

Upon the completion of the hereinabove mentioned residence, the parties shall obtain fire insurance thereon for the actual value of residence, the cost of said insurance to be equally divided between the parties.

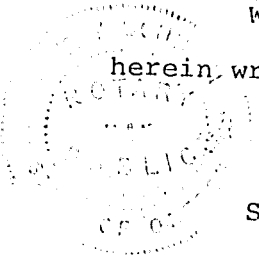
It is agreed that neither party may assign, sell, transfer or dispose of his interest in this contract without the prior written consent of the other party, provided that neither party shall unreasonably withhold such consent.

This document is the entire, final, and complete agreement of the parties pertaining to the joint venture mentioned herein, and supersedes and replaces all written and oral agreements heretofore existing by and between the parties or their representatives in so far as this venture is concerned.

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

This agreement shall bind and inure to the benefit of, as the circumstances may require, the parties hereto and their respective heirs, executors, administrators, successors, and assigns, subject to the foregoing.

WITNESS the hands of the parties the day and year first herein written.

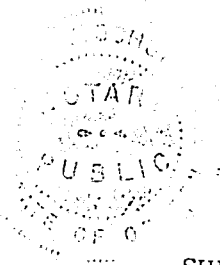
  
*Dean Edgar Winter*  
Dean Edgar Winter

SUBSCRIBED and SWORN to before me this 16<sup>th</sup> day of

July, 1979.

*August*





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Kathy Schuckei  
NOTARY PUBLIC for Oregon  
My Commission expires: 8/7/82

John Charles York  
John Charles York  
SUBSCRIBED and SWORN To before me this 6th day of August,  
1979.

Kathy Schuckei  
NOTARY PUBLIC for Oregon  
My Commission expires: 8/7/82

Return  
James Spindor  
136 W. 3rd  
K. Falls, Ore.

STATE OF OREGON; COUNTY OF KLAMATH; ss.  
filed for record at request of James Spindor  
this 14th day of August A. D. 1979 at 3:16 o'clock P. M., and  
 duly recorded in Vol. 179, of Deeds on Page 19359  
By Wm D. MILNE, County Clerk  
Barbara W. Kotsch

Fee \$24.50