

1 THIS CONTRACT OF SALE Made this 25th day of October, 1979, between
2 DALE E. MEINTS and MILDRED M. MEINTS, husband and wife, hereinafter
3 called "Vendor", and DENNIS DUANE KOSTELECKY and LORETTA JEAN KOSTELECKY,
4 husband and wife, hereinafter called "Purchaser";

5
6
7 W I T N E S S E T H:

8 Vendor agrees to sell to Purchaser and Purchaser hereby agrees to
9 buy from Vendor, at the price and on the terms, covenants, conditions
10 and provisions hereinafter contained, all of the following described prop-
11 erty situate in County of Klamath, State of Oregon, more particularly des-
12 cribed as follows:

13
14 Real Property: Lot 9, Block 13, Tract No. 1064, FIRST ADDITION TO
15 GATEWOOD.

16
17 SUBJECT TO: Regulations, including levies, liens and utility ease-
18 ments of the City of Klamath Falls; restrictions, but omitting re-
19 strictions, if any, based on race, color, religion or national origin,
20 as shown on the recorded plat of First Addition to Gatewood; covenants,
21 easements and restrictions, but omitting restrictions, if any, based
22 on race, color, religion or national origin, imposed by instrument,
23 including the terms thereof; easements and rights-of-way of record
24 and apparent thereon.

25
26 Personal Property: Frigidaire Dishwasher, Model No. DWU-22-B, Serial
27 No. 90FB1416; Westinghouse Range, Model No. KF330ADH1, Serial No.
28 KAH-15019; and Shrader Stove, Prince Model, Serial No. 3362.

29 Said personal property is hereinafter called "Collateral".

30
31
32 1. Purchase Price: The purchase price of the property, which Purchaser
33 agrees to pay, is the sum of \$58,900.00, payable as follows:

34
35 a. Down Payment: \$11,800.00, receipt of which is hereby
36 acknowledged.

37
38 b. Deferred Balance: \$47,100.00 deferred balance payable
39 in monthly installments of not less than \$457.48, inclusive of interest,
40 commencing on the 25th day of November, 1979, with a like installment
41 on the 25th day of each month thereafter to and including the 25th
42 day of November, 1980; the remaining balance of principal and interest
43 due on December 26, 1980, shall be paid in full on December 26, 1980.

44
45 c. Interest: Interest is fixed at eleven and one-quarter
46 per cent (11.25%) per annum interest on declining balances. Interest
47 commences on the date of this Contract.

48
49 2. Payments to Escrow Holder: All installments due Vendor from
50 Purchaser under this Contract shall be paid without demand to the Escrow
51 Holder hereinafter named. All such installments received shall be applied
52 first to interest accrued to the date of receipt and then applied to reduce
53 principal.

54
55 3. Prepayment: Purchaser may increase any installment or prepay
56 all or any part of the whole consideration together with interest thereon
57 to the date of any such payment. No partial payment, increased install-
58 ment or payment for a partial conveyance by reason of the eminent domain
59 provisions of this Contract shall be credited in lieu of any regular future
60 installment, nor excuse Purchaser from making the regular installments
61 specified in this Contract.

62
63 4. Possession: Purchaser shall be entitled to possession of the
64 above described real property on the date hereof.

65
66 5. Condition of Property: Purchaser has examined the property herein

1 described and agrees that no representations of any kind have been made
2 by Vendor, or any representative of Vendor, with respect to the condition
3 of Vendor's title to said property not contained in this Contract. Purchaser
4 is purchasing the property described in this Contract as is in its present
5 condition, accepts it as such, and requires no work of any kind to be done
6 on said property.

7
8 6. Nature of Estate Sold and Lien Created by this Contract: The
9 real property above described, hereby sold to Purchaser, includes, all
10 and singular, the tenements, hereditaments, rights, easements, privileges
11 and appurtenances thereunto belonging or in anywise appertaining, improve-
12 ments thereon. The Vendor's lien created by this Contract shall and does
13 hereby include the real property above described, together with, all and
14 singular, the tenements, hereditaments, rights, easements, privileges and
15 appurtenances thereunto belonging or in anywise appertaining, and all im-
16 provements now or hereafter thereon. In addition, Purchaser hereby agrees
17 that Vendor's lien is superior to any and all rights of Purchaser under
18 and by virtue of any homestead, stay or exemption laws now in force, or
19 which may hereafter become laws.

20
21 7. Contract as Security Agreement for Personal Property: With
22 reference to the "Collateral" hereby sold by Vendor to Purchaser, this
23 Contract constitutes a security agreement for such Collateral and the
24 security interest of Vendor in such Collateral is hereby declared to be
25 a fixture filing as provided for by the Uniform Commercial Code of the
26 State of Oregon and upon the terms, covenants and conditions set forth
27 in this Contract and the following special provisions relating to said
28 Collateral:

29
30 a. Vendor's Rights and Obligations with Respect to Collateral:
31 Vendor shall have the following rights with respect to Collateral:

32
33 (1) Right to Income, Proceeds, or Substitutions: Vendor
34 shall be entitled to receive and add to the Collateral any increase
35 from the Collateral, the proceeds of any insurance on the Collateral,
36 and any other property given in exchange for property included
37 in the Collateral.

38
39 (2) Right to Apply Cash: Vendor may, at his option,
40 apply any cash which may be included in the collateral or re-
41 ceived through liquidation, sale or retirement of, or as income
42 from the Collateral toward the satisfaction of the deferred balance
43 or such portion thereof as Vendor shall choose, whether matured
44 or not.

45
46 b. No Duty to Collect, Waiver of Presentment, Etc.: Vendor
47 shall not be obliged to collect any amounts due or which may become
48 due on any of the Collateral; and Purchaser here waives presentment,
49 protest, demand or notice of nonpayment to Purchaser, or to any
50 maker, endorser, surety, guarantor or other person who is party to
51 the Collateral.

52
53 To perfect such security interest of Vendor in such Collateral, Purchaser
54 agrees to execute and cause to be filed, and continued, at the expense
55 of Purchaser, Uniform Commercial Code Financing Statements Form UCC-1a
56 as a fixture filing with the County Clerk of Klamath County, Oregon. Vendor
57 shall execute and deliver to the Escrow Holder hereinafter named one
58 unfiled Uniform Commercial Code Form UCC-3, Termination of Financing State-
59 ment, for the County Clerk of Klamath County, Oregon.

60
61 8. Escrow of Contract and Related Documents: Vendor hereby warrants
62 that he has good and merchantable title to the property above described,
63 subject to the exceptions above set forth. Vendor will, upon execution
64 hereof, make and execute in favor of Purchaser, a good and sufficient Warranty
65 Deed conveying said premises free and clear, as of this date, of all encum-
66 brances, subject to the above set forth exceptions. Vendor will, upon execu-

tion hereof, make and execute in favor of Purchaser a good and sufficient Bill of Sale and/or other certificate of title conveying the above described personal property free and clear, as of this date, of all encumbrances, subject to the above set forth exceptions. Vendor will, within a reasonable time after the execution hereof, place said Deed, Bill of Sale, and the recorded original of this Contract, together with any other conveyances of title or security instruments required hereby, in escrow at Klamath Falls Branch of Klamath First Federal Savings & Loan Association, with instructions to said Escrow Holder that, when and if the Purchaser shall have paid the balances of the purchase money and interest as above specified and shall have complied with all other terms and conditions of this Contract, to deliver the same to Purchaser subject to the usual printed conditions and provisions of the standard form of Escrow Instructions provided by said Escrow Holder.

9. Title Insurance: Vendor shall furnish, at his own expense, a Purchaser's Title Insurance Policy issued by South Sixth Street Branch of Transamerica Title Insurance Company under its Order No. 38-20345 insuring Purchaser's title in the above described real property in the amount of \$58,900.00, subject to the above set forth exceptions and printed conditions and exceptions contained in the usual form of title policy issued by said title insurance company.

10. Maintenance, Taxes, Etc., Relating to Real Property: Purchaser shall remain in possession so long as Purchaser is not in default hereunder. Purchaser shall and hereby agrees to keep said real property and improvements in good condition and repair at all times, reasonable wear and tear excepted, to commit no waste or otherwise damage or injure said real property; to maintain said real property in accordance with the laws and ordinances and regulations of any constituted authority applying to said real property and to make no unlawful use thereof; to pay regularly and seasonably, and before the same shall become delinquent, all taxes, assessments and charges of whatever nature (including additional charges by reason of change of use) levied and assessed against said real property, and Collateral, and to pay and discharge all encumbrances thereafter placed thereon by Purchaser (and provide Vendor, without demand, paid receipts therefor); to permit no lien or other encumbrances to be filed upon or placed against said real property, and Collateral without the written consent of Vendor; to maintain said Collateral in the same condition as the same now is, subject to ordinary wear and tear and not to remove the same from the above described County and State without the written consent of Vendor; and it is further understood and agreed, for the purposes of this provision, that if Purchaser fails to pay or discharge any taxes, assessments, liens, encumbrances or charges, Vendor, at his option and without waiver of default or breach of Purchaser, and without being obliged to do so, may pay or discharge all or any part thereof, all of which said sums so paid by Vendor shall become repayable by Purchaser, together with interest at the rate of twelve per cent (12%) per annum, upon demand, payment of which is part of the performance of this Contract by Purchaser and a condition precedent to delivery of the Warranty Deed and other documents by the Escrow Holder.

11. Insurance of Buildings and Improvements: Purchaser agrees to keep the buildings and improvements now on or hereafter placed upon the above described real property insured against loss by fire or other casualty in an amount not less than the sum of \$47,100.00, and shall obtain, at his own expense, an endorsement thereon providing for loss payable to Vendor and Purchaser as their respective interests may appear. A certificate of such insurance shall be delivered to Vendor. If a loss should occur for which insurance proceeds shall become payable, the Purchaser may elect to either rebuild or repair the portion of the building so destroyed, or apply the proceeds toward payment of the then unpaid balance of the deferred balance. If the Purchaser elects to rebuild or repair, he shall sign such documents as may be required by Vendor to guarantee the application of the insurance proceeds to the cost of such rebuilding or repair.

12. Insurance of Collateral: Purchaser agrees to keep the Collateral

1 above described insured against loss by fire in an amount not less than
 2 maximum insurable value at Purchaser's own expense, with an endorsement
 3 thereon providing for loss payable to Vendor and Purchaser, as their respec-
 4 tive interests may appear.

6 13. Sale of Property by Purchaser: If Purchaser shall sell Purchaser's
 7 equity in the real property described herein and securing the unpaid balance
 8 of this Contract, Purchaser shall pay in full all sums due under this Con-
 9 tract. Any assignment by Purchaser of this Contract, or any rights hereunder
 10 or in the property described in this Contract, shall be inoperative and void,
 11 unless Vendor shall consent thereto in writing.

13 14. Defense of Security: Vendor may appear in or defend any action
 14 or proceeding at law, in equity or in bankruptcy affecting, in any way,
 15 the security hereof and, in such event, Vendor shall be allowed and paid,
 16 and Purchaser hereby agrees to pay, all costs, charges and expenses, including
 17 costs of evidence of title or validity and priority of the security and
 18 attorneys fees in a reasonable sum, incurred in any such action or proceeding
 19 in which Vendor may appear, which shall bear interest at twelve per cent
 20 (12%) from date of demand therefor. Failure of Purchaser to pay Vendor
 21 for such costs, charges and expenses within thirty (30) days from the
 22 date of demand therefor shall constitute a breach of this Contract.

24 15. Default of Purchaser: The following shall constitute a default
 25 of Purchaser:

27 a. Failure to Make Payments: Failure of Purchaser to make
 28 payments as herein provided and if said failure shall continue for
 29 more than thirty (30) days after the payment becomes due. If any
 30 payment is not made within thirty (30) days of the due date thereof,
 31 and Vendor exercises any of the remedies provided for in this Contract,
 32 the unpaid principal balance of the deferred balance secured by this
 33 Contract shall bear interest at the rate of twelve per cent (12%)
 34 per annum from the date such payment becomes delinquent. The acceptance
 35 of any sum secured by this Contract after its due date shall not consti-
 36 tute a waiver of Vendor's right either to require prompt payment when
 37 due of all other sums so secured or to seek any remedy provided for
 38 herein.

40 b. Failure to Perform Covenants: Failure of Purchaser to
 41 perform any covenants or conditions of this Contract (other than
 42 failure to make payments as provided in the preceding sentence) after
 43 thirty (30) days written notice of such failure and demand for per-
 44 formance.

46 16. Remedies: If Purchaser shall be in default as above provided,
 47 Vendor shall have the following cumulative rights:

49 a. Remedies Relating to Real Property: With reference to the
 50 real property:

52 (1) Foreclosure: To foreclose this Contract by strict
 53 foreclosure in equity;

55 (2) Acceleration: To declare the full unpaid balance
 56 of the purchase price immediately due and payable;

58 (3) Specific Performance: To specifically enforce the
 59 terms of this Contract by suit in equity.

61 b. Remedies Relating to Personal Property: With reference
 62 to the Collateral, Vendor may take one or more of the following steps,
 63 in addition to, and subject to, the provisions of the Oregon Uniform
 64 Commercial Code:

66 (1) Collect Collateral: Collect any of the Collateral;

(2) Sell Collateral at Private Sale: At any time and without notice to the Purchaser, or either of them, sell any of the Collateral at private sale at such price as Vendor may consider advisable, the Purchaser hereby ratifying and approving any such sale.

(3) Sell Collateral at Public Sale: Sell any of the Collateral at public sale not less than thirty (30) days after notice in writing to the Purchaser of Purchaser's default and after publication of one notice setting forth the time and place of sale and a brief description of the property to be sold in any newspaper of general circulation in the county in which the Collateral is located.

17. Time is of The Essence: Time is expressly made the essence of this Contract.

18. Notice: Where notice in writing is required by either party to the other, such notice shall be deemed given when the same is deposited in the United States Postal Service as certified mail, addressed to the last address of such party shown on the records of the Escrow Holder.

19. No Waiver: No waiver by Vendor of any breach of any covenant of this Contract shall be construed as a continuing waiver of any subsequent breach of such covenant, nor as a waiver of any breach of any other covenant nor as a waiver of the covenant itself.

20. Receivership: In the event any suit or action is commenced because of any default of Purchaser, the Court having jurisdiction of the case may, upon motion by Vendor, appoint a receiver to collect the rents and profits arising out of the above described real property and Collateral and to take possession, management and control of the same during pendency of such foreclosure proceeding or until payment of the obligations hereby secured and apply said rents and profits to the payment of the amount due hereunder, first deducting all proper charges and expenses attending the execution of said receivership.

21. Title Reports, Etc.: Upon the commencement of any suit or action to collect the indebtedness or disbursements secured hereby, or any part thereof, or to enforce any provision of this Contract by specific performance foreclosure, or otherwise, there shall become due, and Purchaser agrees to pay to Vendor, in addition to all statutory costs and disbursements, any amount Vendor may incur or pay for any title report, title search, insurance of title or other evidence of title subsequent to the date of this Contract on any of the real property above described and this Contract shall be security for the payment thereof.

22. Prevailing Party Attorney Fees: In the event any suit or action is instituted by either party against the other relating to any provision of this Contract the prevailing party, at trial or on appeal, shall be entitled to such reasonable attorney fees as shall be fixed by the Court having jurisdiction of the case, in addition to statutory costs and disbursements.

23. No Oral Modification Binding: This Contract contains the full understanding of the parties with respect to the subject hereof and no modification hereof shall be given effect unless the same be in writing subscribed by the parties hereto or their successors in interest.

24. Binding Effect: This Contract shall bind and inure to the benefit of, as the circumstances may require, the parties hereto and their respective successors, heirs, executors, administrators, and assigns, subject to the provisions contained in Paragraph 13 above.

25. Construction of Contract: In construing this Contract, the following shall control:

a. Prepared by Both Parties: This Contract shall be construed as though prepared by both parties and shall be governed by the laws of the State of Oregon.

b. Singular, Plural and Gender: All words used herein in the singular number shall extend to and include the plural. All words used in the plural number shall extend to and include the singular. All words used in any gender shall extend to and include all genders.

c. Paragraph Headings For Convenience Only: Paragraph headings are for convenience only and shall not be used in construing the covenants, terms and provisions of this Contract.

WITNESSETH the hands of the parties hereto as of the date first above set forth.

VENDOR

PURCHASER

DALE E. MEINTS

DENNIS DUANE KOSTELECKY

MILDRED M. MEINTS

LORETTA JEAN KOSTELECKY

STATE OF OREGON)

County of Klamath)

Before me on the 25th day of October, 1979, personally appeared DALE E. MEINTS and MILDRED M. MEINTS and acknowledged the foregoing instrument to be their voluntary act and deed.

(SEAL)

Susan C. Patke

NOTARY PUBLIC FOR OREGON

My Commission Expires: 11/2/82

STATE OF OREGON)

County of Marion) ss:

Before me on the 24th day of October, 1979, personally appeared ~~DENNIS DUANE KOSTELECKY~~ and LORETTA JEAN KOSTELECKY and acknowledged the foregoing instrument to be ~~their~~ her voluntary act and deed.

(SEAL)

Pinky Gorbuch

NOTARY PUBLIC FOR OREGON

My Commission Expires: 12-13-82

STATE OF OREGON,

County of Klamath

ss.

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

BE IT REMEMBERED, That on this 23rd day of October, 1979,
before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within
named Dennis Duane Kosteletzky

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

Susan C. Patzke

Notary Public for Oregon.

My Commission expires 11/2/82

STATE OF OREGON, COUNTY OF KLAMATH; ss.

Filed for record at request of Transamerica Title Co.

this 26th day of October, A. D. 1979 at 10:38 o'clock A. M.

duly recorded in Vol. M79, of Deeds on P. 25244

Wm D. MILNE, County Clerk.

Fee \$24.50

Susan C. Patzke
NOTARY PUBLIC FOR OREGON
My Commission Expires: 11/2/82

Before me on the day of October, 1979, personally appeared
Dennis Duane Kosteletzky and Loretta Jean Kosteletzky and acknowledged the
 foregoing instrument to be their voluntary act and deed.

Susan C. Patzke
NOTARY PUBLIC FOR OREGON
My Commission Expires: 11/2/82

STATE OF OREGON, COUNTY OF KLAMATH; ss.

Filed for record at request of

this day of October, A. D. 1979 at 10:38 o'clock A. M.

duly recorded in Vol. M79, of Deeds on P. 25244

Wm D. MILNE, County Clerk.

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