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A G R E E M E N T

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THIS AGREEMENT made and entered into this 15 day of November, 1980, by and between GERALD A. ZAK and BERNIECE ZAK, husband and wife, hereinafter referred to as "First Parties," and STEVEN C. JOSSE and MARY ANN JOSSE, husband and wife, hereinafter referred to as "Second Parties,"

W I T N E S S E T H:

WHEREAS, GERALD A. ZAK and BERNIECE ZAK purchased the following described real property, namely:

Lot 9 of Block 7 of Buena Vista Addition to the City of Klamath Falls, according to the official plat on file in the office of the County Clerk of Klamath County, Oregon, excepting the Southerly two (2) feet thereof,

and have had a duplex constructed thereon; and,

WHEREAS, the parties hereto now hold title to said real property as tenants in common; and,

WHEREAS, First Parties paid \$40,000.00 for said real property and the cost of construction of a duplex thereon; and,

WHEREAS, Second Parties have obtained a loan from KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION in the sum of \$40,000.00, evidenced by a note in said sum dated April 4, 1980, payable in installments of \$530.00 per month, secured by a deed of trust on said real property, said loan number being 04-41910; and,

WHEREAS, Second Parties were the contractors in connection with,

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the construction of said duplex, and acknowledge that they have been paid in full for all construction work performed by them on said property;

NOW, THEREFORE, it is mutually agreed by the parties as follows:

1. Although First Parties appear on said note and deed of trust as obligor-borrower, it is specifically understood and agreed that Second Parties shall have the sole responsibility of repaying said \$40,000.00 loan and making the monthly payments referred to above.
2. In the event Second Parties default in the payment of any of the installments on said \$40,000.00 loan, they forfeit all of their interest in said property; and in that event First Parties shall have the right to take over said loan, and Second Parties agree to give to First Parties a Quitclaim Deed for their interest in said property. First Parties shall pay to Second Parties the amount by which the principal amount of said loan has been reduced.
3. All of the parties shall be equally responsible or jointly responsible for payment of the insurance and taxes on said real property, and the cost of utilities, maintenance, and improvements, if any, made to the real property.
4. All rental income from said real property shall be divided equally among the parties.
5. Nothing contained in this agreement or otherwise shall con-

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stitute the parties to be partners, and it is specifically provided that First Parties shall have no liability whatsoever for any debts or obligations of Second Parties.

6. The death of any one of the parties to this Agreement shall not terminate this Agreement, but the purpose of this Agreement shall be carried to completion by the surviving parties.
7. Upon the sale of the real property hereinabove described, any debts owed by the parties in connection with said property, including the unpaid balance of the note in the face amount of \$40,000.00 secured by a deed of trust on said property, - A liability of the party of the second part (Item I) - and all costs of sale, shall first be paid before a division of the net balance of the sales price. *MB-2*
8. Semi-annually and upon the sale of said real property, Second Parties, who will be managing the property, shall give a full and proper accounting to First Parties showing all receipts and disbursements in connection with said property. Second Parties shall manage the property without compensation to them.
9. In the event a loss should occur in the handling of said property, all parties shall share said loss equally, unless said loss is caused by the negligence of one or more of the parties or mismanagement by one or more of the parties.
10. In the event it becomes necessary for First Parties to enforce the terms of this Agreement, First Parties shall be entitled to recover reasonable attorney fees and court costs from

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Second Parties, including any incurred in an appellate court.

11. In the event First Parties maintain in Oregon a bank account for receipts and disbursements in connection with said property, a duplicate deposit slip shall be mailed to First Parties after each deposit; and a duplicate bank statement, with appropriate checks, shall be mailed monthly to First Parties.
12. First Parties shall have the option of having the bank statements mailed to them at their address, for forwarding to Second Parties.
13. This Agreement shall be binding upon the heirs, assigns, and personal representatives of the parties hereto.

IN WITNESS WHEREOF, the parties have affixed their signatures hereto on the date first hereinabove written.

FIRST PARTIES:

Gerald A. Zak
GERALD A. ZAK

Berniece Zak
BERNIECE ZAK

SECOND PARTIES:

Steven C. Josse
STEVEN C. JOSSE

Mary Ann Josse
MARY ANN JOSSE

*After Recording
Return To:*
Josse
3447 Evergreen
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
20th day of November A.D., 1980 at 8:40 o'clock A.M., and duly recorded in
Vol M80 of Deeds on page 22532.

Fee \$14.00

WM. D. MILNE, County Clerk
By Bernice A. Smith deputy