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AGREEMENT OF SALE

343-2225  
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THIS AGREEMENT OF SALE made this 24 day of October, 1978, by and between WARREN J. DUNHAM and ELIZABETH C. DUNHAM, husband and wife, hereinafter referred to as Sellers and F. EUGENE NAIL and PATRICIA NAIL, husband and wife, hereinafter referred to as Purchasers.

W I T N E S S E T H:

RECITALS: WHEREAS, the Sellers are the owners of a certain cabin located at Crescent Lake, Oregon on certain real property owned by the United States Government and described as Lot 40 of Tract SH-1, Crescent Lake Recreation Unit, Crescent Lake, State of Oregon; and

WHEREAS, the Sellers are the Permittees under a certain TERM SPECIAL USE PERMIT dated March 27, 1970 by and between the Sellers and the United States Government; and

WHEREAS, said TERM SPECIAL USE PERMIT expires on the 31st day of December, 1989 with the provision that said permit may be extended for a period of ten (10) years beginning December 31, 1989 and expiring December 31, 1999; and

WHEREAS, the Purchasers desire to purchase from the Sellers the above mentioned cabin and the right to occupy and use said cabin under the terms and conditions of the above mentioned TERM SPECIAL USE PERMIT; and

WHEREAS, the United States Department of Agriculture by and through EDWARD LEWIS, JR., District Ranger, Crescent Ranger District has no objection to the transfer of said TERM SPECIAL USE PERMIT by the Sellers to the Purchasers:

AGREEMENTS: NOW, THEREFORE, in consideration of the mutual covenants, promises and conditions contained herein, the Sellers and the Purchasers hereby agree as follows:

(1) PROPERTY: The Sellers hereby sell, transfer and convey to Purchasers and the Purchasers hereby agree to purchase from the Sellers that certain cabin together with all fixtures located therein and all other improvements located on that certain parcel of real property described as Lot 40 of Tract SH-1, Crescent Lake Recreation Unit, Crescent Lake, State of Oregon and the Sellers hereby sell, transfer and convey to Purchasers and the Purchasers hereby agree to purchase from the Sellers all of the Sellers' interest in that certain TERM SPECIAL USE PERMIT dated March 27, 1970 by and between the Sellers and the United States Government, a copy of which is attached hereto and marked Exhibit A and by this reference incorporated herein as though it were fully set forth at this point.

(2) PURCHASE PRICE: The purchase price paid by the Purchasers to the Sellers for the purchase of said cabin, fixtures and Sellers' interest in the aforementioned TERM SPECIAL USE PERMIT shall be and the Purchasers hereby agree to pay to Sellers conditionally the sum of THIRTY-TWO THOUSAND DOLLARS (\$32,000) provided, however, that prior to December 31, 1978, the United States Government acting by and through the United States Department of Agriculture, Forest Service, shall agree in writing to extend the term of the TERM SPECIAL USE PERMIT for the period beginning January 1, 1979 and ending December 31, 1999. If for any reason whatsoever, the United States Government acting by and through the United States Department of Agriculture

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Forest Service shall not agree in writing to extend the term of the aforementioned "TERM SPECIAL USE PERMIT" for the period beginning January 1, 1979 and ending December 31, 1999, then and in that event, the purchase price paid by the Purchasers to the Sellers for the purchase of said cabin, fixtures and Sellers' interest in the aforementioned TERM SPECIAL USE PERMIT shall be the sum of SEVENTEEN THOUSAND SIX-HUNDRED DOLLARS (\$17,600). Regardless of whether the purchase price is \$32,000 or the sum of \$17,600, the purchase price shall be paid as follows:

(a) The sum of \$400 which has been previously paid by the Purchasers to the Sellers shall be applied to the purchase price set forth above.

(b) The sum of \$5,600 shall be paid by the Purchasers to the Sellers upon the execution of this Agreement of Sale and the receipt of the sum of \$6,000 paid by the Purchasers to the Sellers is hereby acknowledged.

(c) The balance of said purchase price, whether it be the sum of \$26,000 or the sum of \$11,600 together with interest thereon on the declining balances at the rate of 10% per annum from the 25th day of October, 1978, shall be paid in semi-annual installments of not less than \$2,061.66 commencing on the 15th day of March, 1979 and thereafter on the 15th day of September and the 15th day of March of each year hereafter until such time as said balance together with interest thereon has been paid in full by the Purchasers to the Sellers. The Purchasers are and shall be permitted to prepay any portion of the principal balance or interest due in advance of the month or year in which it is due. The Purchasers shall also be permitted at any time to prepay the entire portion of all principal

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and/or interest remaining due.

(3) APPLICATION FOR SPECIAL USE PERMIT: In the event that the United States Government should refuse or fail for any reason whatsoever to issue a SPECIAL USE PERMIT to the Purchasers for the period beginning October 24, 1978 and ending December 31, 1989, then this Agreement of Sale shall be totally null and void provided, however, that the Sellers shall immediately pay to the Purchasers any and all sums of money which have been previously paid to the Sellers by the Purchasers.

(4) POSSESSION: The Purchasers shall be entitled to the possession of said cabin, fixtures, and lot as of the 24 day of October, 1978.

(5) ASSIGNMENT, LEASE, RENT OR SALE: The Purchasers shall have the right to assign this contract, sell said cabin and fixtures or lease or rent said cabin or fixtures or any portion thereof without the consent of the Sellers, provided, however, that said Purchasers must at all times perform all the terms and conditions of this Agreement of Sale.

(6) TAXES: All taxes levied against the above described property for the current tax year shall be prorated between the Sellers and the Purchasers as of the date of the execution of this Agreement of Sale. Purchasers agree to pay when due all further taxes which may hereinafter be levied against said property and all public, municipal or statutory liens which may hereafter lawfully be imposed upon said property.

(7) IMPROVEMENTS, ALTERATIONS AND REPAIRS: Purchasers shall have the right to construct improvements and make alterations and repairs to said improvements or real property without obtaining Agreement of Sale - 4

any consent by the Sellers. Purchasers covenant and agree that while there is an unpaid balance due upon this Agreement, Purchasers will not allow any lien for labor or materials to attach to said premises.

(8) COVENANTS OF TITLE: Sellers hereby covenant that they are the owners of the above described cabin, fixtures and interest in the aforementioned TERM SPECIAL USE PERMIT and that all of said property described above is free of all encumbrances of any nature whatsoever.

(9) CLOSING COSTS AND ATTORNEY'S FEES: The Purchasers and the Sellers hereby agree to each pay one-half (1/2) of any closing costs in regard to the completion of the above mentioned transaction of sale. The Purchasers and the Sellers shall each be responsible and shall each pay their own attorney's fees incurred in regard to the above listed transaction.

(10) DEFAULT PROVISIONS: In the event that the Purchasers shall fail to perform any of the terms of this Agreement, time of payment and performance being of the essence, Sellers shall at their option subject to the requirements of notice as hereinafter provided, have the right at their option to declare the entire unpaid principal balance of the purchase price with interest thereon at once due and payable. Purchasers shall not be deemed in default for failure to perform any covenant or condition of this Agreement of Sale until notice of said default has been given by the Sellers to the Purchasers and the Purchasers shall have failed to remedy said default within 20 days after the giving of any such notice. Notice for this purpose shall be deemed to have been given by a deposit in the mails of a certified letter containing said notice and addressed to the Purchasers at the Purchasers' last known address. If the Purchasers shall fail

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to make any payment as herein provided after receiving said notice and said failure shall continue for more than 10 days after the payment becomes due and after such notice has been given to the Purchasers, then, and in that event, the Purchasers shall be deemed in default and Sellers may at their option declare the entire unpaid principal balance of the Purchase price together with interest thereon at once due and payable.

(11) BILL OF SALE: Upon full payment by the Purchasers to the Sellers of the full purchase price as set forth above, the Sellers shall be required to execute to the Purchasers a Bill of Sale transferring title to said cabin and fixtures from the Sellers to the Purchasers herein. This provision regarding the execution of the Bill of Sale shall be specifically enforceable by the Purchasers against the Sellers.

(12) ATTORNEY'S FEES IN THE EVENT OF LITIGATION: The prevailing party in any suit, action or proceeding brought to enforce any right or determine any dispute between the parties hereto, shall be awarded reasonable attorney's fees as shall be set forth in each trial and appellate court by a judge thereof.

(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.

(14) LEGAL REPRESENTATION: The Purchasers have caused this AGREEMENT OF SALE to be prepared by their attorney's, Morrow & McCrea, P.C., Attorneys At Law, and Sellers are advised to seek their own legal advice in the event they have any questions regarding this Agreement or any matters involved herein.

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(15) SELLERS' EXECUTION OF ANY REQUIRED FUTURE DOCUMENTS:

The Sellers covenant and agree with Purchasers that Sellers shall hereafter execute any and all documents which may become necessary in order for the Purchasers to continue to occupy said cabin and/or lot and Sellers hereby further covenant and agree that they will execute any and all documents required by or requested by the United States Government in connection with the Purchasers' use and enjoyment of the aforementioned cabin, fixtures and lot.

(16) ENTIRE AGREEMENT: This Agreement contains the entire understanding of the parties and there are no conditions, restrictions, warranties, covenants or undertakings other than those expressly set forth herein.

(17) CAPTIONS: The captions appearing in this contract are inserted only as a matter of convenience to the parties and in no way define, limit, construe or describe the scope or intent of such sections of this Agreement nor in any way affect this contract.

IN WITNESS WHEREOF the parties have executed this Agreement of Sale on this 24 day of October, 1978.

SELLERS:

Warren J. Dunham  
Warren J. Dunham

Elizabeth C. Dunham  
Elizabeth C. Dunham

STATE OF OREGON )  
County of Lane ) ss.

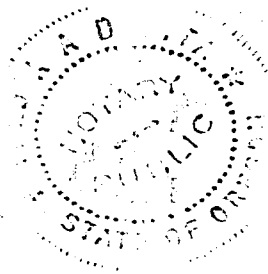
October 24 1978, 1978.

Personally appeared the above named Warren J. Dunham and Elizabeth C. Dunham, husband and wife, and acknowledge the Agreement of Sale - 7

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foregoing Agreement of Sale to be their voluntary act and deed.

Before me:



[Signature]  
Notary Public for Oregon  
My Commission Expires: 5-22-82

PURCHASERS:

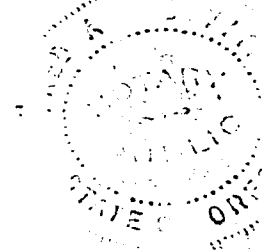
F. Eugene Nail  
F. Eugene Nail  
Patricia Nail  
Patricia Nail

STATE OF OREGON )  
County of Lane )

October 24, 1978.

Personally appeared the above named F. Eugene Nail and Patricia Nail, husband and wife, and acknowledge the foregoing Agreement of Sale to be their voluntary act and deed.

Before me:



[Signature]  
Notary Public for Oregon  
My Commission Expires: 5-22-82

LARRY O. GILDEA, P.C.  
LAWYERS  
342 EAST 12TH AVENUE  
EUGENE, OREGON 97401

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record ~~XXXXXX~~

this 4th day of December A. D. 1980 at 11:42 clock A. M., and

fully recorded in Vol. M80, of Deeds on Page 23539

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Fee \$28.00

Wm D. MILNE, County Clerk  
By Bernetha A. Detoch