

CONTRACT OF SALE of the real property described in the attached Exhibit "A" (herein called "Real Property"), subject to the exceptions to title set forth in said Exhibit "A", made, as of the last date set opposite the signatures of the parties hereto, between WM. V. MEADE and WM. JACK MEADE, as Initial Trustees of Inter Vivos Trust dated September 15, 1976, whose address is 700 North Eldorado, Klamath Falls, Oregon 97601, as to an undivided one-half interest; UNITED STATES NATIONAL BANK OF OREGON, Trustee, whose address is P.O. Box 789, Klamath Falls, Oregon 97601, as to an undivided one-half interest (herein called "Vendor"), and RICHARD F. BOGATAY, whose address is 621 Loma Linda Drive, Klamath Falls, Oregon 97601, as to an undivided one-half interest; FRED W. STILLWELL, whose address is Star Route, Box 50, Merrill, Oregon 97633, as to an undivided one-half interest (herein called "Purchaser").

1. Vendor agrees to sell to Purchaser, and Purchaser agrees to buy from Vendor, the Real Property for the price and on the terms, covenants, conditions and provisions herein contained.

2. Purchaser agrees to pay Vendor the sum of \$150,000.00 for the Real Property as follows: \$15,000.00 down (which Vendor has received) and \$135,000.00, plus interest on declining principal balances at the rate of ten per cent (10%) per annum, in monthly installments as follows:

a. Twenty-four (24) equal monthly installments of interest only, of not less than \$1,125.00, the first such installment to be paid on the 13th day of December, 1981, and a like installment on the 13th day of each month thereafter, to and including the 13th day of November, 1983.

b. Thirty-six (36) equal monthly installments of not less than \$1,302.80, inclusive of interest, the first such installment to be paid on the 13th day of December, 1983, and a like installment on the 13th day of each month thereafter, to and including the 13th day of November, 1986.

c. The remaining balance of principal and interest unpaid on December 13, 1986, shall be paid on December 13, 1986.

d. Interest commences December 1, 1981.

e. All such installments received shall be applied first to interest accrued to the date of receipt and then applied to reduce principal. Purchaser may prepay all, or any part of, the principal or interest at any time. No partial payment nor increased installment shall be credited in lieu of any regular future installment, nor excuse Purchaser from making the regular installments specified in this Contract.

f. All installments shall be paid, without demand, to Klamath County Title Co., 422 Main Street, Klamath Falls, Oregon 97601 (herein called "Escrow Holder").

3. Notwithstanding the provisions contained in the immediately preceding Paragraph 2, Purchaser shall, no later than the 14th day of November, 1986, apply to a bank, savings and loan association, or similar financial institution, for a loan to pay the sums due on December 13, 1986. If Purchaser is refused a loan for such amount by two (2) such banks, savings and loan associations, or similar institutions (which refusals must be in writing and provided to Vendor), Vendor agrees to extend the termination date of this Contract for an additional one hundred eighty (180) months with the installments to be reamortized over said extended term of one hundred eighty (180) months at the prime interest rate being charged by First Interstate Bank of Oregon, NA, for commercial loans to its preferred borrowers (but in no event shall the interest rate be less than twelve per cent (12%) per annum), and such installments so reamortized, shall be paid on the 13th day of each month thereafter, with the first such installment to be due and payable on the 13th day of December, 1986, and a like installment on the 13th day of each month thereafter until the full sum of principal and interest has been paid. Interest shall be determined as of December 13, 1986. To implement this provision, the Parties shall execute such amendment to Contract and Escrow Instructions as each Party shall reasonably request of the other and any amendment to this Contract shall be made of record at Purchaser's expense.

4. In the event any governmental agency or entity having the power of eminent domain acquires by eminent domain or by negotiated sale in lieu of eminent domain, all of the Real Property described in this Contract, Purchaser shall pay to the Escrow Holder all sums of principal and interest remaining unpaid.

5. Paragraph No. 3 of the General Terms, Covenants, Conditions and Provisions of this Contract is hereby modified to require Purchaser to insure in an amount not less than the unpaid balances of principal and interest secured by this Contract.

6. Purchaser warrants and covenants that the Real Property is being purchased for an organization or business and/or commercial purpose other than agricultural.

7. Possession of the Real Property shall be delivered on December 1, 1981.

8. The terms, covenants, conditions, and provisions set forth on the reverse hereof, and any exhibit attached hereto, are incorporated into this Contract as though fully set forth at the place in this Contract at which reference to them is made.

THIS DOCUMENT CONSTITUTES A BINDING CONTRACT. THE PARTIES HAVE READ BOTH SIDES AND ALL EXHIBITS.

DATE

SIGNATURE

11/30/81

11-30-81

11/20/81

William V. Meade

WILLIAM V. MEADE

(VENDOR)

William Jack Meade

WILLIAM JACK MEADE

(VENDOR)

(Initial Trustees of Inter Vivos Trust dated September 15, 1976)

UNITED STATES NATIONAL BANK OF OREGON, Trustee (VENDOR)

X By:

TRUST ADMINISTRATIVE OFFICER

Richard F. Bogatay

(PURCHASER)

Fred W. Stillwell

(PURCHASER)

(SEE ACKNOWLEDGEMENTS ON REVERSE SIDE)

STATE OF OREGON, County of Jackson ss: November 25, 1981

Personally appeared before me HANNAH M. ANDERSON who, being duly sworn, did say that SHE is a Trust Officer of UNITED STATES NATIONAL BANK OF OREGON, NA, and that SHE signed the foregoing instrument as Trust Officer on behalf of said UNITED STATES NATIONAL BANK OF OREGON, NA, pursuant to authority granted by it to its Trust Officers.

NOTARY PUBLIC FOR OREGON

My Commission Expires 10/22/82

20649

GENERAL TERMS, COVENANTS, CONDITIONS AND PROVISIONS

1. Vendor hereby warrants to Purchaser that Vendor has good and merchantable title to the real property described in this Contract, subject to the exceptions to title set forth in this Contract. Vendor agrees that when the sums due Vendor secured by this Contract have been fully paid, Vendor shall, upon Purchaser's request, deliver a good and sufficient warranty deed conveying said real property in fee simple unto Purchaser, and Purchaser's heirs and assigns, free and clear of encumbrances as of the date of the Contract, except those exceptions to title set forth in this Contract, and those exceptions to title permitted or created by Purchaser. To the extent that this Contract designates an Escrow Holder, Vendor will, upon execution of this Contract, execute the aforesaid warranty deed, and, within a reasonable time thereafter, place said warranty deed, together with an executed original of this Contract, in escrow with the designated Escrow Holder with instructions (subject to the usual printed conditions and provisions of the standard form of escrow instructions provided by said Escrow Holder) to said Escrow Holder that, when and if Purchaser shall have paid the sum due Vendor provided for in this Contract, to deliver said warranty deed to Purchaser.

2. Purchaser shall remain in possession of the real property so long as Purchaser is not in default hereunder. Purchaser shall and hereby agrees to keep the 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 the real property; to maintain the real property in accordance with the laws and ordinances and regulations of any constituted authority applying to the 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 levied and assessed against the real property and to pay and discharge all encumbrances thereafter placed thereon by Purchaser; to permit no lien or other encumbrances to be filed upon or placed against the real property 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 Vendor's 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 twenty-five per cent (25%) per annum, upon demand, payment of which is part of the performance of this Contract by Purchaser.

3. Purchaser agrees to keep the building and improvements now on, or hereafter placed upon, the real property insured against loss by fire or other casualty in an amount not less than maximum insurable value as determined by the insurance carrier and shall obtain, at Purchaser's expense, an endorsement thereon providing for loss payable to Vendor, Purchaser, and any third party shown in this Contract as having an encumbrance upon the real property as an exception to the title is their respective interests may appear. A certificate of such insurance shall be delivered to Vendor and such third party. If a loss should occur for which insurance proceeds shall become payable, Purchaser may (subject to the rights of said third party encumbrance holder) 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 sums due Vendor. If Purchaser elects to rebuild or repair, Purchaser shall sign such documents as may be required by Vendor (subject to the rights of said third party encumbrance holder) to guarantee the application of the insurance proceeds to the cost of such rebuilding or repair.

4. Vendor may appear in or defend any action or proceeding at law, in equity or in bankruptcy, affecting, in any way, the security hereof and, in such event, Vendor shall be allowed and paid, and Purchaser hereby agrees to pay, all costs, charges and expenses, including costs of evidence of title or validity and priority of the security, and attorney's fees in a reasonable sum, incurred in any such action or proceeding in which Vendor may appear, which shall bear interest at twenty-five per cent (25%) from date of demand therefor. Failure of Purchaser to pay Vendor for such costs, charges and expenses within thirty (30) days from the date of demand therefor shall constitute a breach of this Contract.

5. The following shall constitute a default of Purchaser:

a. Failure of Purchaser to make payments as herein provided for more than thirty (30) days after the payment becomes due. The acceptance of any sum secured by this Contract after its due date shall not constitute a waiver of Vendor's right either to require prompt payment when due or to seek any remedy provided for herein.

b. Failure of Purchaser to perform any covenants or conditions of this Contract (other than failure to make payments as provided in the preceding sentence) after thirty (30) days' written notice of such failure and demand for performance.

6. If Purchaser shall be in default as above provided, Vendor shall have the following cumulative rights which Vendor may, at Vendor's election, exercise sequentially or contemporaneously:

a. To foreclose this Contract by strict foreclosure in equity;

b. To declare the full unpaid balance secured by this Contract by suit in equity.

c. To specifically enforce the terms of this Contract by suit in equity.

7. In the event any suit or action is commenced because of any default of Purchaser, the following provisions shall apply:

a. 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 real property and to take possession, management and control of the same during pendency of suit or action 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.

b. Purchaser shall 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 the real property above described and this Contract shall be security for the payment thereof.

c. 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.

8. This Contract creates a lien upon the real property in favor of Vendor as security for the performance of all covenants of Purchaser and remedies of Vendor contained herein. As additional security, Purchaser hereby assigns to Vendor any or all present or future lease or tenancy covering all, or any part, of the real property. Purchaser agrees with Vendor that each said lien is superior to any and all rights of Purchaser hereunder or by reason of any homestead, stay, or exemption laws now in force or which may hereafter become law.

9. Time is expressly made the essence of this Contract.

10. 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, postage prepaid, and addressed to the address of such party set forth in this Contract.

11. 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.

12. All terms, covenants, conditions, and provisions contained in this Contract are severable and, in the event any of them shall be held to be invalid by any competent Court, this Contract shall be interpreted as though the same were not contained in this Contract.

13. 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.

14. The term real property, when used in this Contract, includes, all and singular, the tenements, hereditaments, rights, easements, privileges, and appurtenances thereunto belonging, or in anywise appertaining, and improvements thereon, together with the reversions, remainder, rents, issues, and profits thereof.

15. This Contract shall bind and inure to the benefit of, as the circumstances may require, the parties hereto and their respective successors, heirs, personal representatives, or assigns.

16. The debts and obligations under this Contract of Vendor and Purchaser are both joint and several.

STATE OF Oregon County of Klamath ss: November 30, 1987
 Before me appeared the Vendor who acknowledged the foregoing Contract to be Vendor's voluntary act and deed.
KIRSTINE L. PROCK
 NOTARY PUBLIC (SEAL)
 My Commission Expires: 12-1-87

STATE OF Oregon County of Umatilla ss: 12-1, 1987
 Before me appeared the Purchaser who acknowledged the foregoing Contract to be Purchaser's voluntary act and deed.
J. M. Malt
 NOTARY PUBLIC FOR Oregon
 My Commission Expires: 11-5-87

EXHIBIT "A"

The following described real property situate in Klamath County, Oregon, to-wit:

The Easterly 45 feet of Lot 1 of Block 15 of Original Town of Linkville, now City of Klamath Falls, Oregon, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, more particularly described as follows:

Beginning at the Southeasterly corner of Lot 1 in Block 15 of the City of Klamath Falls (formerly Linkville) at the corner of Main and Seventh Streets; thence Northerly along the Easterly boundary of said Lot a distance of 105 feet; thence Westerly at right angles with Seventh Street a distance of 45 feet; thence Southerly parallel with Seventh Street a distance of 105 feet to the boundary line of Main Street; thence Easterly along Main Street 45 feet to the place of beginning.

SUBJECT TO:

1. Taxes for 1981-82, now a lien but not yet payable.
2. Assessments and charges of the City of Klamath Falls for monthly water and/or sewer service.
3. Subject to any unrecorded leases or tenancies not of record.
4. Party Wall Agreement, including the terms and provisions thereof, from Clarence H. Underwood and Eunitia Gertrude Underwood, husband and wife, to Edgar H. Lawrence and Alice Lawrence and Reba Kelsey, dated December 17, 1946, recorded December 23, 1946, Vol. 200, Page 175, Records of Klamath County, Oregon. Assignment, including the terms and provisions thereof, from Edgar H. Lawrence and Alice Lawrence and Reba Kelsey to Albert W. Schmeck and Vada H. Schmeck, husband and wife, and Harry D. Boivin and Vivian Boivin, husband and wife, dated February 16, 1950, recorded March 2, 1950, Vol. 237, Page 142, Records of Klamath County, Ore.
5. Lease, including the terms and provisions thereof, by and between W.V. Meade and Lois Hout Holley, and Glen W. Hout and Lois Hout Houtley as Trustees under the Will of Vera L. Hout, deceased, lessors, and J. Anthony Giacomini, lessee, recorded September 20, 1974, Vol. M-74, Page 12459, Records of Klamath County, Oregon. Modification and Extension of Lease, including the terms and provisions thereof, recorded June 25, 1975, Vol. M-75, Page 7229, Records of Klamath County, Oregon. Assignment, including the terms and provisions thereof, from J. Anthony Giacomini to Facilities Leasing Corporation, an Oregon corporation, dated May 1, 1978, recorded May 18, 1978, Vol. M-78, Page 10378, Records of Klamath County, Oregon. Assignment, including the terms and provisions thereof, from Facilities Leasing Corporation, an Oregon corporation, to Giacomini, Jones & Zamsky, Attorneys at Law, a Professional Corporation, dated May 1, 1978, recorded May 18, 1978, Vol. M-78, Page 10379, Records of Klamath County, Oregon. Extension of Lease, including the terms and provisions thereof, recorded October 13, 1980, Vol. M-80, Page 19904, Records of Klamath County, Oregon.

Return to KCTC
3766

Mail tax statements to
Grantee: 436 Main
Klamath Falls

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record ~~XXXXXX~~

this 1st day of December A.D. 1981 at 3:05 o'clock P.M., and
duly recorded in Vol. M 81, of DEEDS on Page 20648

Fee \$ 12.00

EVELYN BIEHN, County Clerk
By Joyce M. Brown