

THE PARTIES to this contract are JOSEPH RIZZUTO and CLAUDIA RIZZUTO, Husband and Wife, Sellers and RONALD R. DILL and LINDA S. DILL, Husband and Wife, Purchasers.

AGREEMENT OF PARTIES

- 1.) Sellers agree to sell to Purchasers and Purchasers agree to purchase from Sellers, for the agreed price of Thirty-five Thousand Dollars (\$35,000.00) on the terms and conditions set forth herein and agreed too in documents of Offers.

PURCHASE PRICE

- 2.) The total purchase price of dba C & J'S DONUT GANG and all EQUIPMENT listed in attached SCURITY AGREEMENT hereto shall be \$35,000.00;
  - a) Sellers acknowledge receipt of earnest money of \$1,000.00 and upon delivery of this Contract of Sell, Sellers, acknowledges same as a full part of Down Payment;
  - b) Down Payment of \$10,000.00 shall be applied to Purchase Price upon receipt of remaining \$9,000.00 prior to or as of 1-02-86;
  - c) Purchasers agree, as per Counter Offer #B of sale agreement # A232752 dated 12/04/85, to pay to Seller The balance of \$25,000.00 at a monthly rate of \$316.69 or more per month including interest at 9% per annum.
  - d) The payments of this Contract of Sell shall commence 30 days after closure date of 1986 and all interest with remaining principal shall be paid in full on or before January 2nd, 1991.
  - e) Purchasers, as agreed, shall remitt to Sellers, in addition too Purchase Price and not included in Down Payment, full payment of inventory remaining on hand for approximate 2 week supplies in the approximate sum of \$1,000.00.

PREPAYMENTS

- 3.) Sellers agree that Purchasere may prepay the balance due in whole or in part at any time without penalty provided that no such prepayment shall excuse Purchasers' obligation for the next regular minimum monthly payments due hereunder.

ASSIGNMENT OF LEASE

- 4.) Sellers hereby assign unto Purchasers the Lessee's interest in that certain lease covering premises described as follows:

that certain portion of building located at 2054 Washburn Way and further described by a sign attached thereto with the words C & J'S Donut

and Purchasers further agree to pay to Sellers, if any, any unexpried prepaid lease payments made prior to or as of closure date.

TRADE NAME

- 5.) It is understood that Sellers assign and sell unto Purchasers the assumed business name "C & J'S DONUT GANG" and Purchasers shall have the right to use said name in any form or derivative thereof.

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## SECURITY AGREEMENT

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- 6.) As security for the payment and performance of all obligations provided herein, Sellers shall have a continuing security interest in the equipment described in and attached too as part of this contract of sell a SECURITY AGREEMENT. The parties shall execute, as well as a UCC filing, said agreement pursuant to the Uniform Commercial Code of Oregon and file the same with the proper filing officers. The terms of said statements shall be controlling in the event of any conflict with the terms of this agreement.

## ASSIGNMENT OF CONTRACT

- 7.) Purchasers shall not assign their rights under this Contract Of Sell or sell the property secured by the Security Agreement unless the Principal Balance and Interest due as of date of such closure of any agreed too agreement is paid in full.

## ASSIGNMENT OF ACCOUNTS

- 8.) Sellers agree too and Purchasers shall be held to the following as a part of the Assignment of Accounts too insure the continued good standing of the Name of C & J'S Donut Gang the following;
- a) That commencing as of closure date there shall be a 30-day training period provided by Sellers to Purchasers;
- b) Sellers shall, during training period, introduce and familiarise Purchasers with each accounts needs, the following are the Sellers present Accounts;

Murphy's Market  
Castell Shell  
Oregon Ave Circle K  
Eagle Cafe  
Main Street Shell  
Shasta View Market  
Country Villa Market  
Summers Lane Market  
Mr. D'S Cafe  
Don's Super Value

South 6th Circle K  
Gordy's Market  
Kwik Mart  
Winema Hotel  
Dickey's Mini Mart  
Madison Ave Circle K  
Liens Store  
Richardsons Market  
Fremont Grocery

- c) Sellers, as dba THE DUGOUT, agree to purchase and Purchasers agree to provide Sellers 20 dozen doughnuts at \$1.75 during the 30-day training period. Purchasers well then continue to provide the Sellers their required 20 dozen Doughnuts per day at \$2.50 per dozen. The 20 dozen to be approximately 4 dozen Maple and/or Chocolate Bars, and Approximately 16 dozen Regular Glazed or Cake Donuts. This agreement does not include holidays and weekends.
- d) If production ceases for more than One (1) Week without prior notice from Purchasers to Sellers, in writing, then Sellers shall have the right to purchase donuts from some other source.

## CARE OF EQUIPMENT

- 8.) Purchasers agree to keep and maintain said equipment and any replacements thereof in good condition and repair and to pay all taxes and assessments for said equipment by the due date thereof. Any replacements of said equipment shall be of equal or better quality. The legal title to all replacements shall be and remain in Sellers, as attach/added too, Security Agreement UCC filing, until the agreed Purchase Price plus Interest due is paid in full.

- 9.) Purchasers agree to keep the equipment secured hereby and any replacements thereof insured against loss by fire or other casualty in an amount at least equal to the balance due hereunder with loss first payable to Sellers and then to Purchasers as their interest may appear at the time of loss. Purchasers shall provide Sellers with proof of such insurance coverage by closure date.

## TAXES

- 10.) Sellers have paid all personal property taxes when due each year and Purchasers agree too assume tax payment when due each year after date of closure. Likewise there shall be no pro-rating of insurance for said property held by Sellers as of date of closure.

## DEFAULT

- 11.) Purchasers shall be in default under this contract upon the occurrence of any of the following events or conditions:
- a) Failure by Purchasers to pay any installment or payment due hereunder within ten (10) days of the due date thereof;
  - b) Failure by Purchasers to observe or perform any of the provisions of this agreement.

## REMEDIES ON DEFAULT

- 12) In the event Purchasers shall default in any of the terms of this contract Sellers have the option to do the following:
- a) If Purchasers are delinquent over ten (10) days of payment due date then there shall be added a late penalty of \$10.00; *★ 25 200*
  - b) If Purchasers are delinquent over fifteen (15) days of payment due date Sellers shall be allowed to inquire into the matter and may enter and inspect all property secured by agreement;
  - c) If Purchasers are delinquent over thirty (30) days of payment due date, Sellers, shall at their option may, in addition to all other remedies provided by law, declare the entire balance immediately due and payable, and if not promptly paid upon demand, may commence an action at law to collect the full amount of principal and interest due;
  - d) Sellers also reserve the right to seek legal recourse to repossess equipment or to take over operation of business as to insure Sellers interest in same as per this Contract of Sell.

## ATTORNEY FEES

- 13.) In the event of legal action arising directly or indirectly out of the nonperformance, breach or repudiation of this contract, the losing party shall pay to the prevailing party a reasonable attorney fee to set by any trial or appellate court.

## SURVIVORSHIP OF RIGHTS

- 14.) This Contract of Sell shall be binding upon the heirs and assignees of the parties provided that nothing herein shall change the provision above regarding assignments.

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*Seller must inform collection agent in writing when a late penalty must be added - 3 back.*  
 CONTRACT OF SELL

# RESTRICTIONS

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- 15.) Sellers are, as agreed, held to not establish any other Dumt Business/ stores within 100 miles during the term of this contract and all other terms and conditions to remain the same as A232752 & Exhibit A. It is also agreed that this sale is also subject to the zoning at the time of closing allowing the business operation as now constituted.

## CLOSING COSTS

- 16.) All closing costs shall be boren by each party as priviously agreed too.

## COVENANTS

- 17.) Sellers and Purchasers shall hold as agreed all provisions of their Offers and Counter Offers during their meeting for the sell and purchase of the herein named business.

IN TESTIMONY WHEREOF we have executed this Contract Of Sell in triplicate this 2nd day of January, 1986.

Claudia Rizzuto  
Seller

Ronald R. Dill  
Purchaser

Joseph Rizzuto  
Seller

Linda S. Dill  
Purchaser

Return to:  
MTR

## STATE OF OREGON.

County of Klamath

ss.

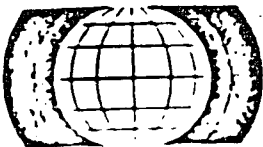
FORM NO. 23 — ACKNOWLEDGMENT  
STEVENS HESS LAW FIRM CO. PORTLAND ORE

BE IT REMEMBERED, That on this 2nd day of January, 1985, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Joseph Rizzuto and Claudia Rizzuto and Ronald R. Dill and Linda S. Dill

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

[Signature]  
Notary Public for Oregon  
My Commission expires 11/1/89



REALTY WORLD.

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REALTY WORLD - Rookstool-Hansen Real Estate Co.  
4747-A South Sixth Street, Klamath Falls, Oregon 97601  
Telephone: (503) 883-3781

C & J DONUT SHOP - LIST OF FIXTURES INCLUDED IN SALE OF BUSINESS

- |   |                                   |
|---|-----------------------------------|
| 1 BREAD RACK  | 2 WALL CLOCKS                     |
| 1 DONUT RACK  | 1000 GALLON HOLDING WATER TANK    |
| 1 SPIDER RACK   | ALL BUSINESS SIGNS                |
| 2 LARGE 3-WELL SINK                                   | ALL WINDOW COVERINGS              |
| 1 60 QT. HOBART MIXER                                 |                                   |
| 1 20 QT. HOBART MIXER                                 | IS CONDITION) WITH 2 DONUT        |
| 1 DONUT MACHINE                                       | CARRYING BOXES (1 METAL & 1 WOOD) |
| 3 DONUT PLUNGERS                                      | FIRE EXTINGUISHER SYSTEM          |
| 1 SCALE WITH WEIGHTS                                  | ALL CLEANING EQUIPMENT, I.E;      |
| 10 MIXER HOOKS & WIPELS                               | BUCKETS, MOPS, EXISTING CLEANING  |
| 2 QT. MEASURES  | SOLUTIONS                         |
| 1 FRYER HOOD  | NUMEROUS HAND TOOLS PERTINENT TO  |
| 93 SHEET PANS   | THE BUSINESS                      |
| 2 TABLETS   |                                   |
| 1 DISPLAY CASE (UPRIGHT)                              |                                   |
| 3 UTILITY TABLES                                      |                                   |
| 1 72" SHAPED WOOD TABLE (FOR CUSTOMERS)               |                                   |
| 2 OCTAGONAL TABLES (FOR CUSTOMERS)                    |                                   |
| 2 COUNTERS - WOOD (FOR CUSTOMERS)                     |                                   |
| 18 BAR STOOLS   |                                   |
| 1 NATIONAL CASH REGISTER AND ONE UNITEX CASH REGISTER |                                   |
| 1 CASH REGISTER TABLE                                 |                                   |
| 2 USED REFRIGERATORS                                  |                                   |
| 1 36x36 GLAZER  |                                   |
| 1 36x36 DEEP FRYER                                    |                                   |
| 1 METAL BOX - HOT BOX                                 |                                   |
| 3 LAM WOOD TABLES                                     |                                   |
| 19 FRYING SCREENS                                     |                                   |
| 13 GLAZING SCREENS                                    |                                   |
| 2 PICK UP RACKS                                       |                                   |
| 1 30 GAL. WATER HEATER-GAS                            |                                   |
| 2 HALF MOON BOWL CARRY                                |                                   |
| 1 OVEN  |                                   |
| 6 FLOUR CONTAINERS (GALVANIZED & PLASTIC)             |                                   |
| 1 60 QT. MIXING BOWL                                  |                                   |
| 1 30 QT. MIXING BOWL                                  |                                   |
| 1 20 QT. MIXING BOWL                                  |                                   |
| 3 TRASH BUCKETS                                       |                                   |
| 1 STEREO  |                                   |
| 1 LG. STORAGE BIN APPR 14"x7"                         |                                   |
| 1 CREAM DISPENSOR                                     |                                   |
| 1 PORTABLE FAN  |                                   |

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STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of \_\_\_\_\_ the \_\_\_\_\_ 2nd \_\_\_\_\_ day  
of \_\_\_\_\_ JANUARY \_\_\_\_\_ A.D. 19 \_\_\_\_\_ 86 at \_\_\_\_\_ 3:32 o'clock \_\_\_\_\_ P. M., and duly recorded in Vol. \_\_\_\_\_ M86  
of \_\_\_\_\_ Misc. \_\_\_\_\_ on Page \_\_\_\_\_ 266

FEE \$21.00

Evelyn Biehn County Clerk

By \_\_\_\_\_