

CONTRACT OF SALE

MTL 20885-D

THIS CONTRACT OF SALE, made and entered into this 26th day of January, 1989, by and between DONALD G. PAGE and YVONNE F. PAGE, husband and wife, hereinafter called Sellers, and SUSAN KROUSE, hereinafter called Buyer,

W I T N E S S E T H :

That the Sellers agree to sell to Buyer, and Buyer agrees to buy from Sellers, all of the following described real and personal property, to-wit:

Lots 37 and 38, VILLA SAINT CLAIR, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

SUBJECT, HOWEVER, TO THE FOLLOWING:

- (1) The premises herein described are within and subject to the statutory powers, including the power of assessment, of Klamath Irrigation District.
- (2) The premises herein described are within and subject to the statutory powers, including the power of assessment, of South Suburban Sanitary District.
- (3) Reservations, restrictions and easements contained in Deed recorded January 29, 1948, in Deed Volume 216 at page 241 to-wit:
Subject to certain governmental charges, and Klamath Irrigation District charges, and the roadways, ditches, and utility privileges (water, electricity, telephone, etc.) which may be necessary to cross the above lots, in order to make connections with other tracts in that platted area."

TOGETHER WITH all equipment, furnishings, fixtures and inventory of said business, a more particular description of which is set forth in EXHIBIT "A" attached hereto and by this reference incorporated herein, together with the attached EXHIBIT "B" listing the six (6) trailer houses described in EXHIBIT "B" attached hereto and by this reference made a part hereof.

ENCUMBRANCES: It is understood and agreed that the subject real property is to be conveyed free and clear of any and all encumbrances, liens, clouds in title or other impediments to marketability of title, together with the assumed Business name of "BARTLETT AVENUE TRAILER COURT".

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ALL at and for a total purchase price of SEVENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$75,000.00) payable as follows:

(1) FIFTEEN THOUSAND AND NO/100 DOLLARS (\$15,000.00) cash on exercise hereof, receipt of which is hereby acknowledged.

(2) SIXTY THOUSAND AND NO/100 DOLLARS (\$60,000.00) with interest at the rate of 9% per annum from February 1, 1989, payable in monthly installments of not less than FIVE HUNDRED THIRTY-NINE AND 84/100 DOLLARS (\$539.84) per month, inclusive of interest, with the first payment due on the 15th day of February, 1989, and a like installment on the 15th day of every month thereafter until the balance, and interest, is fully paid.

(3) Of the SEVENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$75,000.00) purchase price, \$22,866.00 is allocable to personal property and \$52,134 is allocable to real property.

All payments due hereunder shall be made to Sellers at
Mountain Title Escrow of Klamath County
P.O. Box 5017

Klamath Falls, Oregon 97601

INTEREST: Buyer shall pay interest on all deferred balances at the rate of 9% per annum until paid, interest to commence February 1, 1989.

PRE-PAYMENT: The Buyer shall have the right at any time to pre-pay the indebtedness mentioned in the preceding paragraph, and any payments so accelerated are first to be applied to accrued interest and the balance to the principal sum owing.

TAXES AND LIENS: Except as herein expressly provided to the contrary, all current taxes and other assessments on the properties shall be prorated between the parties as of the date of February 1, 1989. Buyer agrees to pay all such taxes and assessments thereafter levied as taxes become due yearly and before they become delinquent.

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Buyer further agrees to pay and discharge of record all other liens which may thereafter be claimed or imposed against said property, or any part thereof, within thirty (30) days after the filing thereof or shall supply assurances satisfactory to Sellers that said liens, or any judgments entered thereon, will be paid and discharged of record.

POSSESSION: Buyer shall be entitled to possession of the above-described property as of February 1, 1989, and may retain such possession only so long as Buyer is not in default herein.

REPRESENTATION: Buyer certifies that this Contract is accepted on the basis of Buyer's own examination and personal knowledge of the properties and opinion as to the value thereof; that the only material representations and warranties inducing this transaction are those expressly set forth herein; that no agreement or promise to alter, repair or improve said properties has been made by Sellers or any agent of Sellers; and Buyer hereby agrees to take said properties and the improvements thereon in the condition they are in at the time of execution of this Contract of Sale. Buyer agrees to keep said properties and the improvements in a good condition of repair and maintenance, and Buyer will commit no waste thereof.

SELLERS' WARRANTIES: Sellers covenant with Buyer as follows: Except as expressly provided herein to the contrary, Sellers are the sole owner of said properties and seized in fee simple of the above-described real and personal property; that Sellers' title to the same is marketable; that Sellers have a right to transfer title to the same and possession thereof; that the properties are presently free from all matured and inchoate liens, charges and encumbrances whatsoever, except as the same may be noted in this Contract; that Buyer shall have quiet enjoyment of the properties and that Sellers will warrant and defend the same against all lawful claims and demands whatsoever, except as stated herein.

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TITLE INSURANCE: The Sellers agree that at their expense they will furnish unto Buyer a title insurance policy insuring in an amount equal to said purchase price marketable title in and to said premises as of the date of this Contract of Sale.

INSURANCE: At Buyer's expense, she will insure and keep insured all buildings now or hereafter erected on said premises against loss or damage by fire, with extended coverage, in an amount not less than \$ ^{DOA YFP} Tax Assessed Value, in a company or companies satisfactory to the Sellers, with loss payable first to the Sellers then to the Buyer as her respective interest may appear and all policies of insurance to be delivered to the Sellers as soon as insured.

ASSIGNMENT: Buyer shall not sell, transfer or assign this Contract or any right or interest therein without first obtaining the written consent of the Sellers, and no sale, transfer or assignment of this Contract shall be valid or recognized by any person for any purpose unless Sellers' consent be obtained in writing; any such consent given pursuant hereto shall not be construed as any representation or agreement by Sellers concerning the condition or degree of the right or interest reported to be sold, transferred or assigned by any such sale, transfer or assignment, consented to by Sellers, and any breach of the terms or provisions of this paragraph by Buyer may be deemed by Sellers to be a default in the terms thereof, and Sellers shall have the right to declare all sums then remaining unpaid on this Contract immediately due and payable, and if not so paid, shall have the right to foreclose this Contract of Sale. Consent of Sellers to transfer shall not be unreasonably withheld.

DEFAULT: If Buyer fails to make any of the payments herein stated within thirty (30) days of the specified payment date, or if the Buyer fails to perform any of the other terms, covenants or conditions of this Contract of Sale, and if any such default in payment or performance shall remain uncorrected by Buyer for thirty (30) days after written notice of such default has been

given by certified mail by Sellers to Buyer at the Buyer's last known post office address, (provided always, that NO NOTICE WHATSOEVER SHALL BE REQUIRED OF SELLERS FOR ANY DEFAULT IN PAYMENT OF ANY DEFERRED INSTALLMENTS OF PURCHASE PRICE), time of payment and strict performance in all things being of the essence of this Contract, Sellers shall have the following rights:

(1) To declare the entire unpaid balance of the purchase price, both principal and interest, immediately due and payable and to exercise any of the following options:

- (a) To sue for the unpaid balance then due on this contract;
- (b) To foreclose this contract by strict foreclosure in equity; and to the appointment of a receiver during the pendency of the suit;
- (c) To sue for specific enforcement of this Contract;

(2) or, to declare this Contract null and void and to retain as liquidated damages the payments theretofore made under this Contract by Buyer, and any repair and improvements made upon said properties. If Sellers shall so elect to declare this Contract null and void as hereinabove provided, all of the right, title and interest of Buyer shall immediately revert to and revest in Sellers without any other act by Sellers to be performed and without any right of Buyer of reclamation or compensation for money paid or repairs or improvements added, as absolutely, fully and perfectly as if no Contract had ever been made, and Buyer agrees to surrender peaceably said properties and the possession thereof to Sellers, or in default thereof Buyer may, at the option of the Sellers, be treated as a tenant holding over unlawfully after expiration of a lease and may be ousted and removed as such. Provided always that the recitation of remedies herein shall not be deemed exclusive and shall not bar the parties from any other or additional or supplemental remedy or remedies afforded at law, in equity, or otherwise.

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DELINQUENT CHARGES: If Buyer shall fail to pay any assessments, liens, insurance premiums, or any other expense necessary to preserve Sellers' lien hereby retained, and the value and priority thereof, Sellers, without obligation to do so, and without waiver of Buyer's default, has the right to pay the same, and treat the amount so paid as a debt due and owing from Buyer to Sellers, secured by the lien of this Contract, and to bear interest at contract rate per annum until paid.

WAIVER: No waiver of a breach of any covenant, term or condition of this Contract shall be a waiver of any other or subsequent breach of the same, or any other term, covenant or condition, or as a waiver of the term, covenant or condition itself; nor shall such waiver require any notice of any kind to be given to reinstate the defaulted term, covenant or condition, or to make time and strict performance again of the essence.

PARTIES: The obligations of the undersigned are joint and several, and wherever the context hereof so admits or requires, the singular shall include the plural. This Contract of Sale contains the entire agreement of the parties and cannot be modified except upon written agreement. This Contract shall benefit and bind the heirs, executors, administrators, successors and assigns of the parties.

ATTORNEY'S FEES: Should suit, action or other legal proceeding be instituted to declare or enforce any right created by this instrument, the prevailing party therein shall be entitled to the costs and disbursements provided by statute, and such other sum as the Court may adjudge reasonable for attorney's fees.

PRIOR AGREEMENTS: This document is the entire, final and complete Contract of the parties pertaining to the sale and purchase of the real and personal property, and supersedes and replaces all written and oral contracts heretofore made or existing by and between the parties or their representatives insofar as the property is concerned.

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GENERAL PROVISIONS:

(1) All of the terms herein, the rights, duties and remedies of the parties shall be governed by the laws of Oregon.

(2) Each demand, notice or other communication shall be served or given by mail or telegraph addressed to the party at their mailing address set forth herein. For purposes of Notice, Sellers' address shall be: 20740 Gala Way N.E., Poulsbo, WA 98370.

Buyer's address shall be:

dep YFP
11490 New Ave,
Gilroy, CA 95020

Reasonable notice, when notice is required shall be ten (10) days.

TRUTH IN LENDING: The parties agree that this transaction is a sale and purchase for business use and no disclosure statement is necessary under any federal or state trust in lending statute.

SPECIAL PROVISIONS: IT IS FURTHER AGREED by and between the parties hereto that all mobile home titles be placed in escrow and held until:

(1) The Contract has been fully satisfied in that all sums called for hereunder, including interest, have been fully and completely paid by Buyer.

(2) A mobile home of like or better quality has been purchased for replacement and its title surrendered in escrow. In the event of replacement of like or higher value mobile replacement, Sellers agree to release title of replaced mobile to Buyer and Buyer agrees to place replacement mobile title into escrow.

(3) In the event destruction of a mobile results in insurance payment, title will be released by Seller and Buyer will use monies obtained to replace destroyed mobile and place title of replacement mobile in escrow.

ESCROW ARRANGEMENTS: As soon as practicable following the execution of this Contract of Sale, Sellers shall deliver in escrow to Mountain Title Escrow of Klamath County, P.O. Box 5017, Klamath Falls, Oregon 97601 the following:

CONTRACT OF SALE

- (1) An unrecorded Warranty Deed to the property free and clear of any and all encumbrances, except as hereinabove set forth.
- (2) A recorded Contract of Sale.
- (3) Bills of Sale.
- (4) Form UCC-3 executed by Sellers terminating Financing Statement filed _____, 1989, in Klamath County Clerk's office covering the above mentioned personal property set forth in Exhibits "A" and "B".

The parties hereby instruct said Escrow Agent to receive for Sellers' account the balance of the installment payments provided herein. Said Escrow Agent is further authorized and instructed that it is to close the escrow and deliver the documents to the parties entitled thereto at such time as all sums called for hereunder, including interest, have been fully and completely paid by Buyer.

Said Escrow Agent is further directed and instructed to deduct from the payments made by Buyer, sums sufficient to pay the obligation called for under the terms and conditions of the contracts hereinabove set forth so that when the purchase price has been fully paid those obligations will be fully retired and discharged. Any sums thereafter remaining shall be distributed to the Buyer.

If Buyer fails to pay any installment before the expiration of thirty (30) days after the due date thereof, the Escrow Agent is authorized to surrender to Sellers, upon demand, after proof of written notice to Buyer, all of the documents specified in the preceding paragraphs, thereby terminating the escrow.

EXECUTED IN QUADRUPLICATE, ONE COPY OF WHICH WAS DELIVERED
TO AND RETAINED BY THE BUYER, this 12th day of 1989,
1989.

SELLERS:

BUYER:

Donald G. Page
Donald G. Page

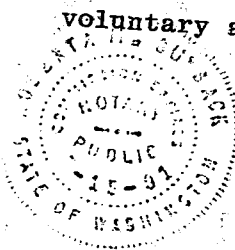
Susan Krouse
Susan Krouse

Yvonne F. Page
Yvonne F. Page

STATE OF WASHINGTON)
County of Kitsap) ss.

Personally appeared the above-named DONALD G. PAGE and
YVONNE F. PAGE, acknowledged the foregoing instrument to be their
voluntary act and deed.

Before me:

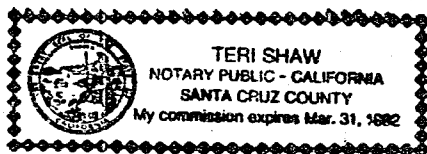


Richard M. Burbaal
Notary Public in and for the State of
Washington, residing at Poulsbo
My Commission Expires: 3-15-91

STATE OF ~~CALIFORNIA~~ OREGON)
County of ~~Klamath~~ Santa Cruz) ss.

Personally appeared the above-named SUSAN KROUSE,
acknowledged the foregoing instrument to be her voluntary act and
deed.

Before me:



Teri Shaw
Notary Public for the state of Oregon,
residing at Santa Cruz, California
My Commission Expires: 3-31-92

PERSONAL PROPERTY EXHIBIT "A"

THE FOLLOWING PROPERTY IS LOCATED IN SPACE#1 MOBILE HOME:

1 ELECTRIC DROP IN RANGE, 1 TV STAND, 1 PHONE TABLE, 1 COUCH AND
MATCHING CHAIR, 2 END TABLES, 1 COFFEE TABLE, 1 EASY CHAIR, 1
KITCHEN TABLE WITH 4 CHAIRS, 1 DOUBLE BED, 2 SINGLE BEDS.

THE FOLLOWING PROPERTY IS LOCATED IN THE GARAGE AT SPACE #1:

1 DOUBLE BOX SPRINGS, 1 SINGLE BED FRAME, 1 STUFFED CHAIR, 1 PUSH
BROOM, 1 POST HOLE DIGGER, 2 GARDEN HOES, 3 GARDEN RAKES, 1 LAWN
RAKE, 1 WHEEL BARROW, 2 GARDEN HOSES, 2 SPRINKLERS, 3 SHOVELS, 1
EXTENTION LADDER, 1 ELECTRIC LAWN MOWER, 1 100 FOOT ELECTRIC
CORD, 1 GAS LAWN MOWER, 2 WEED EATERS, 1 SKILL SAW, 1 GIBSON HOE,
1 HOMELITE XL12 CHAIN SAW, 1 TWO GALLON SPRAYER, 1 TREE PRUNER.

THE FOLLOWING PROPERTY IS LOCATED IN THE WASH HOUSE:

1 COMMERCIAL DRYER, 2 COMMERCIAL WASHERS.

THE FOLLOWING PROPERTY IS LOCATED AT SPACE#5:

1 1957 ROLLA TRAILER *See Attached*

Exhibit C X *Susan Krouse*
THE FOLLOWING PROPERTY IS LOCATED IN MOBILES LOCATED AT SPACES
#4, 14, 16, 18 AND 19.

5 REFRIGERATORS
5 GAS RANGES

PERSONAL PROPERTY EXHIBIT "A"

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1 ELECTRIC DROP IN RANGE, 1 TV STAND, 1 PHONE TABLE, 1 COUCH AND
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KITCHEN TABLE WITH 4 CHAIRS, 1 DOUBLE BED, 2 SINGLE BEDS.

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RAKE, 1 WHEEL BARROW, 2 GARDEN HOSES, 2 SPRINKLERS, 3 SHOVELS, 1
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THE FOLLOWING PROPERTY IS LOCATED IN THE WASH HOUSE:

1 COMMERCIAL DRYER, 2 COMMERCIAL WASHERS.

THE FOLLOWING PROPERTY IS LOCATED AT SPACE#5:

1 1957 ROLLA TRAILER - *see Exhibit C* *Doc 47P* *X SK*

THE FOLLOWING PROPERTY IS LOCATED IN MOBILES LOCATED IN SPACES
#4, 14, 16, 18, AND 19.

5 REFRIGERATORS
5 GAS RANGES

PERSONAL PROPERTY EXHIBIT "B"

SPACE#	YEAR	MAKE	TYPE	IDENTIFICATION
#1	1966	KIT	HT (HOUSE TRAILER)	5050XX3CKUS2038
#4	1965	STAR	HT (HOUSE TRAILER)	BS807
#14	1961	NEW MOON	HT (HOUSE TRAILER)	55X1301485
#16	1959	NEW MOON	HT (HOUSE TRAILER)	45X28589
#18	1971	SKYLINE	HT (HOUSE TRAILER)	S1170E
#19	----	PARKWOOD	HT (HOUSE TRAILER)	8433974724

END OF LIST

EXHIBIT C to Contract of Sale Page/Krouse

Due to the fact that the seller is unable to furnish free and clear title to the 1957 ROLLA TRAVEL TRAILER, both parties agree to the following:

At the time of closing, sellers agree to have \$775.00 withheld from their proceeds. Sellers have until August 1, 1989 to supply Mountain Title Company with the title to the 1957 Rolla unit. If the title is not received by Mountain Title by August 1, 1989, the \$775.00 is to be released to SUSAN KROUSE. If title is received by Mountain Title by August 1, 1989, in a condition to be transferred to Susan Krouse, the \$775.00 is to be released to DONALD G. PAGE AND YVONNE F. PAGE.

If the title is not supplied to Mountain Title by August 1, 1989; buyer is to notify seller in writing that the travel trailer will be removed at the sellers expense. The sellers have 60 days from written notification to remove said unit. If seller does not comply will the removal of said unit, purchaser may have the unit removed. The costs for removal may be deducted from the balance then due on the contract of sale in an amount NOT TO EXCEED \$100.00.

Sellers shall reimburse buyer for any storage costs of unit should the purchaser not be able to remove unit right away.

Donald G. Page

Yvonne F. Page

X Susan Krouse
Susan Krouse

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Sellers shall reimburse buyer for any storage costs of unit should the purchaser not be able to remove unit right away.

X Donald G. Page
Donald G. Page

X Yvonne F. Page
Yvonne F. Page

Susan Krouse

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co. the 30th day
of Jan. A.D., 19 89 at 12:51 o'clock P.M., and duly recorded in Vol. M89
of Deeds on Page 1839
Evelyn Biehn County Clerk
By Pauline Mullens

FEE \$73.00

Return: M.T.C.