

Aspen Title No. 01039630

CONTRACT OF SALE

THIS CONTRACT OF SALE, made this 30th day of April, 1993, by and between WILLIAM RODE and LISA RODE, husband and wife, hereinafter referred to as the Sellers, and GRACE ROBINSON and DOUGLAS ROBINSON, hereinafter referred to as the Buyers.

WITNESSETH

RECITALS:

A. Sellers are the owners of a business known as the Golden West Motel, located at Klamath Falls, Oregon, consisting of real property more particularly described in Exhibit "A" attached hereto and made a part hereof and personal property more particularly described in Exhibit "B" attached hereto and made a part hereof.

B. Sellers desire to sell and Buyers desire to purchase the real and personal property described in said Exhibits "A" and "B".

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. PURCHASE PRICE: Buyers agree to pay to Sellers as the purchase price the sum of \$275,000.00 as follows:

a. Down payment of \$25,000.00 shall be paid April 23, 1993 or at close of escrow.

b. The balance of the purchase price in the sum of \$250,000.00 in the manner hereinafter provided.

2. PAYMENT OF THE PURCHASE PRICE: Buyers agree that the balance of \$250,000.00 shall carry interest at the rate of 9%

per cent per annum payable in monthly installments as follows:

a. The sum of \$2,110.00 per month principal and interest on May 23, 1993, and a like sum thereafter on the 23rd day of each and every month until the 23rd day of July, 1995 at which time there shall be a one time only payment of \$15,000.00 due, said sum to include principal and interest. From and after July 23, 1995 the buyers shall resume payments in the sum of \$2,110.00 per month due on or before the 23rd day of each and every month until the entire principal balance with interest thereon is paid.

b. Buyers may have a grace period of 15 days to make payment of the principal and interest as set forth hereinafter, but payments received by Sellers after the 8th day of each month shall suffer a late charge of \$25.00 for each and every late payment.

3. SELLERS TO PAY FIRST DEED: Buyers acknowledge that there is a first deed of trust on the property held by James E. Chaney and Wilda L. Chaney, reference prior agreement of sale of February 19, 1977. Balance of contract is approximately \$85,764.00 with interest at the rate of 9.0% per annum from April 23, 1993, payable in installments of not less than \$910.07 per month, inclusive of interest, due on or before the 15th day of each and every month thereafter until the full balance and interest are paid. SELLER SHALL BE RESPONSIBLE FOR THIS PAYMENT ON SAID DEED.

4. TITLE AND POSSESSION OF PROPERTY: Title to the

real and personal property, except as hereinafter provided, shall remain in the Sellers until the full purchase price and interest have been paid. Buyers, however, shall be entitled to possession of the real and personal property as long hereafter as they are not in default in the performance of this Agreement.

5. TAXES AND ASSESSMENTS: Real and personal property taxes and assessments for the current tax year shall be prorated as of April 23, 1993 or to the close of escrow. Sellers shall pay their portion of such taxes as the same shall become due and payable.

Buyers agree to pay all future taxes and assessments levied or assessed against said real and personal property promptly as the same shall become due and payable.

6. RENTS AND BUSINESS EXPENSES: All rents and business expenses shall be prorated as of the close of escrow.

7. FIRE INSURANCE COVERAGE: Buyers agree to keep the buildings situated on said property insured against loss by fire with extended coverage, in an amount not less than the full insurable value, together with loss of rents coverage. Buyers agree to keep the personal property fully insured against loss or damage by fire, theft, collision and other hazards as Sellers may from time to time require with deductible provisions, upon the terms including loss payable and other endorsements and in such company or companies as Sellers may approve. There shall be affixed to the policies of insurance a loss payable clause showing the interest of the Sellers and the Buyers under the

terms of this agreement. The original of said policies of insurance shall be retained by the Sellers and a memo copy of such policies shall be furnished to the Buyers.

8. INDEMNIFICATION AND LIABILITY INSURANCE: Buyers shall indemnify and defend Sellers against any claim, loss or liability arising out of or related to any activity of Buyers on the property or any condition of the property.

During the term of this agreement, Buyers shall maintain public liability and property damage insurance with a single limit of \$500,000.00 for personal injury to person(s) and property damage in one occurrence. Such insurance shall cover all risks arising directly or indirectly out of Buyers' activities upon or any condition of the property whether or not related to an occurrence caused or contributed to by Sellers' negligence and shall protect Sellers and Buyers against claims of third persons. Certificates evidencing such insurance shall be furnished to Sellers.

9. ADDITIONAL SECURITY: In addition to Sellers' security interest in the personal property described in Exhibit "B", Sellers shall have a security interest in all accessories, substitutions, additions, replacements, parts and accessions, fixed or used, in connection with said personal property.

10. COVENANTS OF BUYER: Buyers agree:

- a. That they will keep the buildings in as good condition and repair as they now are in;
- b. That they will maintain the personal property described in Exhibit "B" in as good condition

as it is now in, and they shall replace any obsolete or worn out personal property;

- c. They will keep the property free and clear of all liens and encumbrances;
- d. They will not commit or suffer any waste or damage to be committed to said property;
- e. That they will not sell, assign or transfer any interest in this agreement or in the said property without first obtaining the written consent of Sellers.
- f. At all times, the personal property which is subject to this agreement shall be kept in Klamath County, Oregon and shall not be removed from said location in whole or in part until such time as the written consent to the change in location is obtained by the Buyers from the Sellers;
- g. They will not move the mobile home from the present location until such time as Buyers have received the title thereto from escrow;
- h. They will comply with all the terms and provisions of the original contract of sale dated February 19, 1977, and will do no act which would be a default of that contract.
- i. Buyers will join in the Sellers in executing, filing and doing whatever may be necessary under applicable law to perfect and continue the Sellers' security interest in the personal property described in Exhibit "B" and any replacements, substitutions, additions, accessories, parts and accessions thereto.

11. TITLE INSURANCE: Sellers shall furnish to Buyers a purchaser's policy of title insurance in the amount \$275,000.00 showing title to said real property to be marketable save and except for the usual printed exceptions contained in policies of title insurance being issued by ~~Transamerica Title Insurance Company~~ ^{Aspen Title & Escrow, Inc.} *W.R. Mark* *ggr* *D.R.* however, subject to the prior Deed of Trust. Each party shall pay one-half of the title insurance premium.

12. EXECUTION OF DOCUMENTS: The Sellers shall at the time of closing, execute the following documents:

a. Make and execute in favor of Buyers good and sufficient Warranty Deed conveying a fee simple title to said real property, free and clear as of April 23, 1993, of all encumbrances whatsoever, except as above stated, which Buyers assume. The Sellers covenant to and with the Buyer that said prior agreement of sale dated February 19, 1977, shall be paid and the above described real property and personal property will be conveyed free and clear of said prior agreement upon payment in full of the sum provided in paragraph 2, pg. 1.

b. Make and execute in favor of Buyers a good and sufficient Bill of Sale conveying title to said personal property, free and clear as of April 23, 1993, of all encumbrances whatsoever, except as to a prior lien with prior Contract holders set out herein. *JKR*

c. Transfer the Certificate of Title to the mobile home with Sellers as secured parties and make and execute in favor of Buyers a Combined Bill of Sale and Power of Attorney conveying title to said mobile home, free and clear as of April 23, 1993, of all encumbrances whatsoever. *Don W. Smith*

13. ESCROW: Sellers shall deposit in escrow at Aspen Title and Escrow, Klamath Falls, Oregon;

- a. A warranty deed conveying the above described real property to Buyers;
- b. Bill of Sale conveying the above described personal property to Buyers;
- c. A copy of this Agreement;

- d. UCC Form 3, Termination Statement;
- e. Application for cancellation of assumed business name.

14. ESCROW INSTRUCTIONS: The parties agree to execute instructions which said Aspen Title & Escrow, Inc. _____ may require as a condition to the acceptance of said escrow and each party shall pay one-half of the required initial escrow fee involved. Said escrow instructions shall instruct the escrow holder that when, and if, Buyers shall have paid the balance of the purchase price in accordance with the terms and conditions of this contract, said escrow holder shall deliver said instruments to the Buyers, but in case of default by the Buyers, said escrow holder shall, on demand, surrender said instruments to the Sellers.

15. TIME OF ESSENCE: Time is of the essence of this agreement.

16. DEFAULT: Buyers shall be in default upon the occurrence of any of the following:

- a. Failure to make payment as herein provided, within 30 days after it is due.
- b. Failure of the Buyers to promptly comply with any term or condition, fulfill any obligation of this Agreement (other than the payments provided herein) within ten (10) days after written notice by Sellers specifying the respect in which they claim this agreement to be in default;
- c. Insolvency of Buyers, a receiver is appointed to take possession of all or part of Buyers' properties, Buyers make an assignment for the benefit of creditors or file a voluntary petition in bankruptcy which is not dismissed within ninety (90) days.

17. REMEDIES: Upon any default in the performance of this agreement by the Buyers, or in the performance of said prior agreement of Sale and Contract of Sale, the Sellers shall have any one or more rights:

- a. Declare the entire balance of the purchase price and interest immediately due and payable;
- b. Foreclose this agreement by suit in equity;
- c. Specifically enforce the terms of this agreement by suit in equity;
- d. In addition to all rights and remedies of a secured party upon default as set forth in the Uniform Commercial Code and this Agreement, the Sellers shall be entitled to immediate possession of the collateral, and Buyers agree, upon request of Sellers, to make it available to the Sellers at a designated reasonably convenient place;
- e. Exercise of any other right or remedy available to Sellers in law or equity.

and in any of such cases, exercise the right to specifically enforce this agreement by suit in equity, all the right and interest hereby created or then existing in favor of Buyers derived from this agreement shall utterly cease and determine, and the said property shall revert and revest in Sellers and without any right of Buyers of reclamation or compensation for money paid or improvements made, as absolutely, fully and perfectly as if this agreement had never been made.

18. APPOINTMENT OF A RECEIVER: In event of a default, Sellers shall be entitled to the appointment of a receiver as a matter of right whether or not the apparent value of the property exceeds the amount of the balance due hereunder, and any receiver

appointed may serve without bond. Employment by Sellers shall not disqualify a person from serving as receiver. Upon taking possession of all or any part of the property, the receiver may:

- a. Use, operate, manage, control and conduct business on the property and make expenditures for all maintenance and improvements as in its judgments are proper;
- b. Collect all rents, revenues, income, issues and profits from the property and apply such sums to the expenses of use, operation and management;
- c. At Sellers' option, complete any construction in progress on the property, and in that connection pay bills, borrow funds, employ contractors and make any changes in plans or specifications as Sellers deem appropriate.

If the revenues produced by the property are insufficient to pay expenses, the receiver may borrow, from Sellers or otherwise, such sums as it deems necessary for the purposes stated in this paragraph, and repayment of such sums shall be secured by this Agreement. The amounts borrowed or advanced shall bear interest at the same rate as the balance of the purchase price hereunder from the date of expenditure until repaid and shall be payable by Buyers on demand.

19. NOTICE OF DEFAULT: All notices provided herein shall be in writing and shall be deemed to have been duly given if mailed by United States certified mail, postage prepaid:

a. TO SELLERS:

William Rode and Lisa Rode
824 Marsh Avenue
Reno, NV 89509

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b. TO BUYERS:

Grace Robinson and Douglas Robinson
6402 S. Sixth Street
Klamath Falls, OR 97601

The effective date of any such notice shall be the date of mailing.

20. TRANSFER AND ASSUMED BUSINESS NAME:

Contemporaneously herewith, Sellers have transferred to Buyers the assumed business name, "Golden West Motel". In addition to the remedies hereinabove set forth, Sellers may, at Sellers' option, upon default by Buyers, demand and receive a reassignment and transfer of the assumed business name "Golden West Motel".

21. POSSESSION: Buyers shall have possession of the premises on April 23, 1993, or close of escrow.

22. WAIVER OF PERFORMANCE: Buyers agree that the failure by Sellers at any time to require performance by the Buyers of any provision hereof shall in no way affect their right hereunto to enforce the same, nor shall any waiver by Sellers of any breach of any provision hereof be held to be a waiver of the provision itself.

23. ATTORNEYS FEES: In the event that suit or action shall be filed by either of the parties to enforce or establish any rights under this agreement, the party prevailing in such suit or action shall be entitled to receive from the other party, their costs which shall include the reasonable costs of title report and title search and such additional sum as the Court may

adjudge reasonable as attorneys fees in such suit or action and in any appeal therefrom.

24. WARRANTIES AND REPRESENTATIONS: Buyers acknowledge that they have purchased the real and personal property and executed this agreement on the basis of their own examination and personal knowledge of the real and personal property and their opinion of the value thereof. They further acknowledge that the Sellers have not, either directly or through any agent, made any representations as to the condition or repair of the real and personal property. Buyers accept the land, buildings, improvements, and personal property, and all other aspects of the property in their present condition, "as is", including latent defects without any representation or warranties, express or implied, unless they are in writing signed by the Sellers, and hereby explicitly waive any claim on that account.

Buyers agree that they have ascertained from other sources other than the Sellers, the applicable zoning, building, housing and other regulatory ordinances and laws and that they accept the property with full awareness of these ordinances and laws as they may affect the present use or any intended use of the property, and Sellers have made no representations with respect thereto.

25. RIGHT TO INSPECTION: Sellers and his agents shall have the right to inspect the real and personal property which is the subject of this agreement at all reasonable times.

26. MEMORANDUM OF AGREEMENT: Sellers covenant and

agree to record a Memorandum of this Agreement with the Klamath County Clerk within fifteen (15) days from the date of the execution thereof.

27. TAX STATEMENTS: Unless a change is requested, all tax statements shall be sent to the Buyers at the following address:

Grace Robinson and Douglas Robinson
6402 S. Sixth Street
Klamath Falls, OR 97601

28. JOINT AND SEVERAL LIABILITY: Buyers' liability under this contract shall be joint and several.

29. COVENANTS OF SELLERS: Sellers agree:

- a. That the equipment being sold herein is in good working order; this is not to be construed as any guarantee and/or warranty of said equipment.

30. CONTINGENCY: It is expressly understood and agreed that this Agreement is contingent upon the approval of Wilda L. Chaney in accordance with the Agreement of Sale dated February 19, 1977; and upon the approval of John C. and Norma L. Carter, Agreement of Sale dated December 16, 1983. In the event that Wilda L. Chaney, or John C. Carter or Norma L. Carter refuse to consent to this sale to the Buyers herein, this Agreement shall be null and void and of no force or effect and any consideration paid by the Buyers to the Sellers shall be forthwith returned by the Sellers to the Buyers.

31. SUCCESSORS AND ASSIGNS: Subject to the limitations stated herein on the Buyers' interest, this Agreement shall be binding upon and inure to the benefit of the parties, their

heirs, personal representatives, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first hereinabove written.

William Rode
WILLIAM RODE, Seller

Lisa Miller Rode By William Rode
LISA RODE, Seller

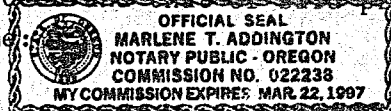
Grace Robinson
GRACE ROBINSON, Buyer

Douglas J. Robinson
DOUGLAS ROBINSON, Buyer

STATE OF OREGON, County of Klamath)ss.

On April 30, 1993, personally appeared WILLIAM RODE both for himself and as attorney in fact for LISA RODE, ALSO KNOWN AS LISA MILLER RODE and acknowledged the forgoing instrument as his voluntary act and deed as principal.

Before me:

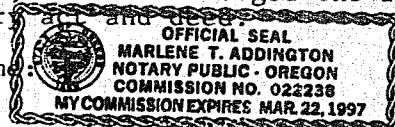


Marlene T. Addington
Notary Public for Oregon

STATE OF OREGON, County of Klamath)ss.

On April 30, 1993, personally appeared GRACE ROBINSON and DOUGLAS ROBINSON, and acknowledged the foregoing instrument as their voluntary act and deed.

Before me:



Marlene T. Addington
Notary Public for Oregon

EXHIBIT "A"

A portion of the NE 1/4 SW 1/4 Section 1, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, being more particularly described as follows:

Beginning at an iron pin which lies North 0 degrees 51' West along the 40 line a distance of 462.3 feet, and North 89 degrees 09' East, a distance of 262.2 feet, and South 46 degrees 09' East, a distance of 428.4 feet from the iron axle which marks the Southwest corner of the NE 1/4 of the SW 1/4 of Section 1, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon; and running thence: Continuing South 46 degrees 69' East a distance of 129.4 feet to an iron pin; thence North 43 degrees 51' East, a distance of 384 feet to an iron pin on the Southerly right of way line of the Klamath Falls-Lakeview Highway, which is 30 feet, measured at right angles from the centerline; thence North 46 degrees 09' West a distance of 129.4 feet along said right of way line to an iron pin; thence South 43 degrees 51' West, a distance of 384 feet to the point of beginning.

EXCEPTING THEREFROM that portion conveyed to the State of Oregon, by and through its State Highway Commission, recorded July 5, 1972 in Book M-72 at Page 7243, Microfilm Records of Klamath County, Oregon.

CODE 43 MAP 3909-1CA TL 1800

EXHIBIT "B"

INVENTORY LIST FOR - GOLDEN WEST MOTEL

BEDS and LINENS (21 DOUBLE BEDS WITH FRAMES AND HEADBOARDS)

28 - CHAIRS

28 - LAMPS

10 - DESKS

21 - END TABLES

14 - RCA TV's WITH STANDS

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the _____ day
of April A.D., 19 93 at 2:21 o'clock P. M., and duly recorded in Vol. 193
of Deeds on Page 9413
Evelyn Biehn County Clerk
By Pauline Mulholland

FEE \$100.00

*Biehn**GJR, D.R.*