

74894

K-46047

THIS AGREEMENT, made and entered into January 21, 1994, by and between EDWARD A. MEDINA and ROSE MARIE MEDINA, hereinafter called Vendors, and HENRY S. DOBAJ, hereinafter called the Vendee.

## WITNESSETH

Vendors agree to sell to the Vendee and the Vendee agrees to buy from the Vendors all of the following described real property situated in Klamath County, State of Oregon:

Beginning at an iron pin driven in the ground at the point where the East line of Madison Street intersects the North line of State Highway No. 66 which pin is 30 feet East and 30 feet North of the Southwest corner of the Northwest one-quarter of Section 1, Township 39 South, Range 9 East of the Willamette Meridian; thence North along the Easterly line of Madison Street 215 feet to a point; thence East at right angles to Madison Street 132 feet to a point; thence South parallel to Madison Street, 215 feet, more or less, to the Northerly line of said highway; thence west along the Northerly line of said highway 132 feet, more or less, to the point of beginning.

SAVING AND EXCEPTING that portion deeded to the State of Oregon, by and through its State Highway Commission in Deed Volume 355 page 499, Deed records of Klamath County, Oregon.

ALSO SAVING AND EXCEPTING that portion deed to Klamath County, a political subdivision of the State of Oregon, recorded January 21, 1993, in Volume M93, page 1579, and re-recorded February 1, 1993, in volume M93, page 2234, Deed records of Klamath County, Oregon.

## Subject to:

Liens and assessments of Klamath Project and Enterprise Irrigation District regulations, contracts, assessments, and water and irrigation rights in connection therewith. Rules, regulations and assessments of South Suburban Sanitary District. Easements, reservations and restrictions of record and those apparent on the land;

TOGETHER WITH the personal property described on Exhibit 1, attached hereto, and the assumed business name of "The Wheel Inn" all of which real and personal property is hereinafter referred to collectively as collateral.

The purchase price is \$350,000.00, payable as follows, to-wit: \$120,000.00 at the time of the execution of this agreement, the receipt of which is hereby acknowledged; \$230,000.00 with interest at the rate of 8% per annum from January 21, 1994 payable in monthly installments of not less than \$2,800.00 per month inclusive of interest, the first installment to be paid on the February 21, 1994.

1 and a further installment on the 21st day of each month thereafter until the full  
2 balance and interest are paid in full. The purchase price of the property is  
3 apportioned as follows:

4 Motel units, building	\$ 217,000.00
5 House	24,500.00
6 Land	70,000.00
7 Paving	17,500.00
8 Personal Property and Appliances	21,000.00

9 No interest in the subject property shall be sold or transferred by the  
10 Vendee without the express written consent of the Vendors upon such terms as the  
11 Vendors may require.

#### 12 RESERVATION OF TITLE AND SECURITY INTEREST

13 It is understood and agreed that this is a security agreement and the  
14 Vendors reserve title to and Vendee grants Vendors a security interest in all of  
15 the above described collateral and in all equipment and fixtures which may  
16 hereafter be acquired by the Vendee to be used in said business. Said security  
17 interest is given to secure the payment and performance of all of the Vendees  
18 obligations set forth in this agreement.

19 WARRANTIES. The Vendors warrant that said real property and personal  
20 property are free and clear of all liens and encumbrances except those set forth  
21 above and Vendors warrant that they have good right to sell the land and personal  
22 property. The Vendors warrant that they have not been notified nor are they  
23 aware of any building code violations on the subject property. Vendors warrant  
24 that they have not been notified or are they aware of any environmental hazards  
25 existing on the subject property.

26 Vendee agrees to make said payments promptly on the date above named to the  
27 order of the Vendors or the survivor of them, at First American Title Company,  
28 200 S.W. Market, Suite 1776, Portland, Oregon 97201, and to keep said property  
29 at all times in as good condition as same now are and no improvement now on or  
30 which may be hereafter placed on the property shall be removed or destroyed  
31 before the entire purchase price has been paid; that the Vendors will repair or  
32 replace any of the buildings or equipment necessary to run the business of the  
motel, in a manner similar to the conduct of the business by the Vendor, as



needed; that the property shall be kept insured in companies approved by the Vendors against loss or damages by fire, a sum not less than the full insurable value of the property with loss payable to the parties as respective interest may appear, said policy or policies of insurance to be held by the Vendee and furnish the Vendors with a copy; Vendee shall pay regularly and seasonably before the same shall become subject to interest charges and to furnish the Vendors with receipts for payment, all taxes, assessments, liens and encumbrances whatsoever in nature in kind and agree not to suffer or prevent any part of the property subject to any taxes, assessments, liens, charges or encumbrances whatsoever having precedence over the right of the Vendors in and to said property. If the Vendee fails to pay the taxes or insurance on the property, the Vendors may pay said taxes or insurance and add the amount thereof to the balance of the contract and the monthly payments shall be increased by the amount of the taxes or insurance.

The Vendee shall be entitled to possession of the property on January 21, 1994.

The Vendor, will on execution hereof, make and execute in favor of Vendee a good and sufficient Warranty Deed conveying a fee simple title to said property, in favor of the Vendee, free and clear as of the date of the deed of all encumbrances whatsoever together with a bill of sale for the personal property and will place said deed, the bill of sale, together with one of these agreements in escrow at First American Title Company, and shall enter into written escrow instructions and a form satisfactory to said escrow holder and instruct said escrow that when and if the Vendee 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 Vendee, but that in case of default by Vendee, said escrow holder shall, on demand, surrender said instruments to the Vendor. The Vendor shall also execute a Termination of Financing Statement, UCC 3, which shall be held by the escrow holder. The Vendor shall also execute a withdrawal of assumed business name which shall be delivered to the buyers at the time of closing the sale. The Vendee shall execute the

1 escrow collection instructions, a UCC 1 financing statement in favor of the  
2 Vendor covering all of the above-described personal property and a withdrawal of  
3 assumed business name, which documents will be placed in the collection escrow  
4 with First American Title Company.

5 It is understood and agreed that the subject property is sold in "as is"  
6 condition. Vendor makes no representation or warranties as to the condition of  
7 the subject property except that there are no known building code violations or  
8 hazardous materials. In case the Vendee shall fail to make payments aforesaid  
9 within 10 days of the due date upon strict terms and at the times above specified  
10 or fail to keep any of the other terms or conditions of this agreement, time of  
11 payment and said performance being declared the essence of this agreement, the  
12 Vendors shall have the following rights: (1) To foreclose this contract by  
13 strict foreclosure and equity; (2) To declare the full unpaid balance immediately  
14 due and payable; (3) To specifically enforce the terms of this agreement by suit.

15 In any such case except the exercise of right to specifically enforce this  
16 agreement by suit all of the right and interest hereby created or then existing  
17 in favor of the Vendee to act under this agreement shall utterly cease and  
18 determine and the premises aforesaid shall revert and revest in Vendors without  
19 any declaration of forfeiture or act of reentry and without any other act by  
20 Vendors to be performed or without any right of the Vendee for reclamation or  
21 compensation of money paid or for improvements made absolutely, fully and  
22 perfectly as if this agreement had never been made. In case any legal  
23 proceedings are commenced to foreclose or enforce this contract, the Courts may,  
24 upon motion of the Vendors, appoint a receiver to collect the rents and profits  
25 arising from the said premises during the pendency of the foreclosure and apply  
26 same after first deducting receivers proper charges and expenses to the payment  
27 of the amount due under this contract. Rents, as used in this paragraph shall  
28 include the rents for the motel spaces. The Vendors shall be qualified to be  
29 appointed as receiver. Should Vendee while in default, permit the premises to  
30 become vacant, the Vendors may take the possession of the same for the purpose  
31 of protecting and preserving the property and their security interest therein.

32 Agreement - Page 4



In the event possession is so taken by the Vendors, they shall not be deemed to have waived their right to exercise any of the foregoing rights.

In any case, suit or action is instituted to foreclose or enforce any of the provisions hereof, the prevailing party in said suit or action shall be entitled to receive from the other party cost, which shall include reasonable costs for the title report, title search, court costs and such sums as the trial court or an appellate court, if an appeal is taken, may adjudge reasonable as attorneys fees to be allowed the prevailing party in said suit or action or on appeal if an appeal is taken. This agreement shall bind and inure to the benefit of, as circumstances may require, the parties hereto and their respective heirs, executors, administrators and assigns.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

This agreement was prepared by William L. Sisemore on behalf of the Vendors. The Vendee is advised that he has a right to check with his attorney before signing this agreement.

Edward A. Medina  
Edward A. Medina

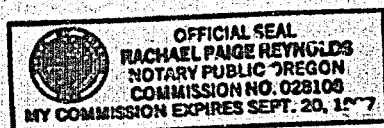
Rose Marie Medina  
Rose Marie Medina

Henry S. Doba  
Henry S. Doba

STATE OF OREGON )  
County of ~~Klamath~~ ) SS  
Multnomah

January 21, 1994

Personally appeared the above named Edward A. Medina and Rose Marie Medina and acknowledged the foregoing instrument to be their voluntary act and deed. Before me:



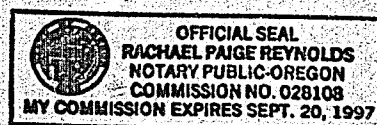
Rachael Paige Reynolds  
Notary Public for Oregon  
My Commission Expires: 9/20/97

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1 STATE OF OREGON )

2 County of Multnomah )

SS

January 21, 19943 Personally appeared the above named Henry S. Dobaj and acknowledged the  
4 foregoing instrument to be his voluntary act and deed. Before me:5 Rachael Paige Reynolds  
Notary Public for Oregon  
My Commission Expires: 9/20/976 After recording return to:  
7 First American Title Company  
8 200 S.W. Market, Suite 1776  
Portland, OR 972019 Until a change is request, send  
10 tax statements to:  
11 \_\_\_\_\_  
12 \_\_\_\_\_  
13 \_\_\_\_\_

STATE OF OREGON: COUNTY OF KLAMATH: ss.

 Filed for record at request of Klamath County Title Company the 25th day  
 of January A.D., 1994 at 11:09 o'clock A.M., and duly recorded in Vol. M94  
 of Deeds on Page 2429

FEE \$55.00

Evelyn Biehn County Clerk

By Ronette Mueller