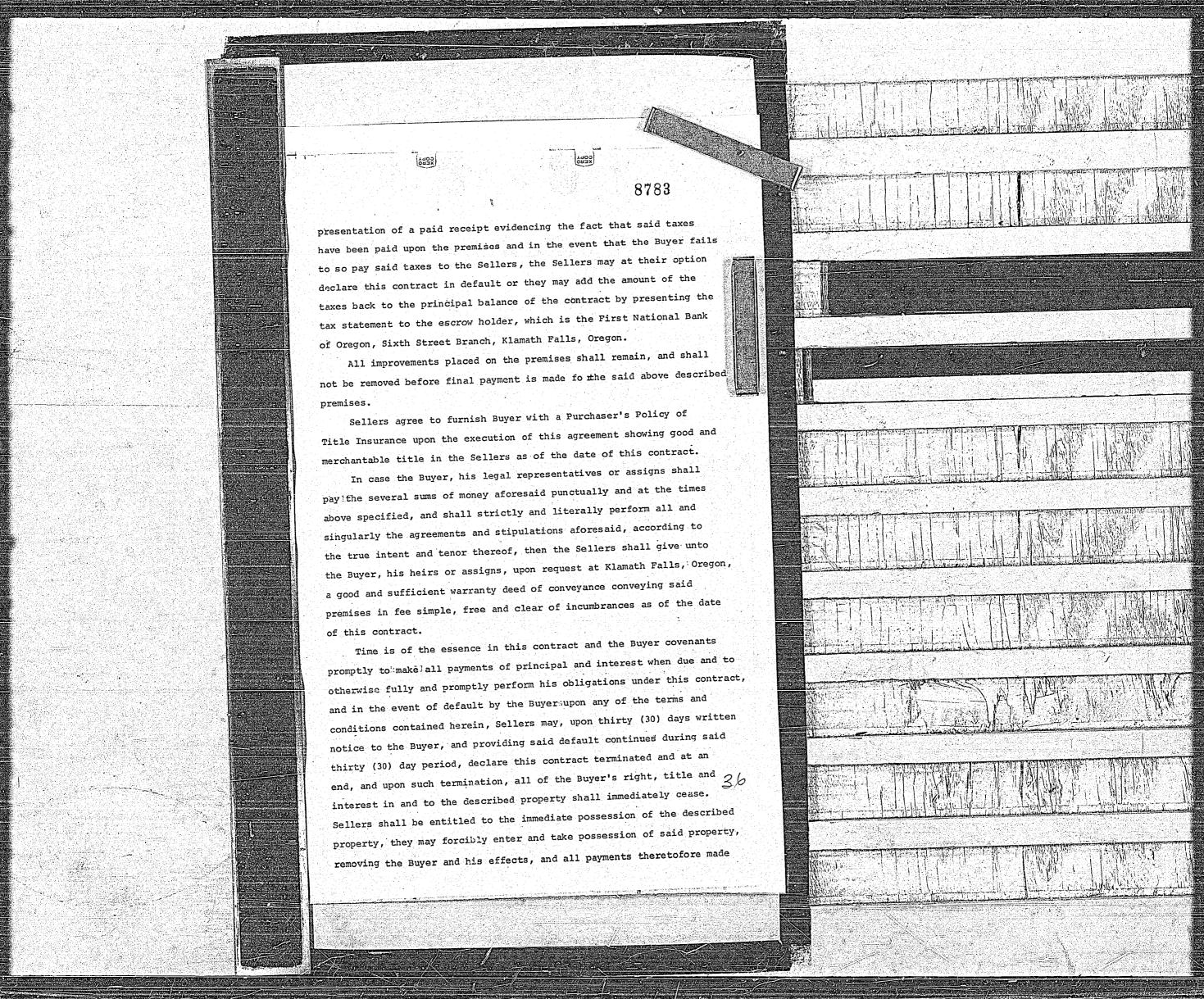


8782 contract. It is understood and agreed between the parties hereto that should there be any contracts, mortgages, liens, judgments or other incumbrances outstanding which Sellers have entered into or incurred during or prior to this contract, Buyer shall have the right upon default by Sellers in payment thereof to make such payments and to apply the payments as part payment on this contract, It is agreed between the parties that all the taxes, if any, shall 5 be prorated as of the date of the Contract. It is further agreed that all the buildings now erected on said premises will be kept insured by the Buyer in favor of the Sellers against loss or damage by fire in an amount equal to the full insurable value of the improvements located upon the aforementioned premises; in a company or companies satisfactory to the Sellers; and the Buyer will have all policies of insurance on said property made payable to the Sellers as their interest may appear; and the Buyer will deliver all policies of insurance on said premises to the Sellers as soon as insured. The Büyers in consideration of the premises, hereby agrees that he will pay for all public and municipal liens which may hereafter lawfully be imposed upon said premises, promptly and before the same or any part thereof becomes past due. In the event that the Buyer shall allow the taxes or other assessments upon said property to become delinquent or shall fail to remove any lien or liens imposed upon said property, the Sellers without obligation to do so, shall have the right to pay the amount due and to add said amount so paid to the principal remaining due under this agreement, to bear interest thereon at the rate provided herein. It is understood by the parties hereto that the ad valorem taxes upon said premises are presently being paid by the First National Bank of Oregon under the terms of the mortgage hereinbefore described, however, it shall remain at all times the duty of Buyer to pay said taxes and he shall be obligated to make a cash payment directly to the Sellers within thirty (30) days of the date of



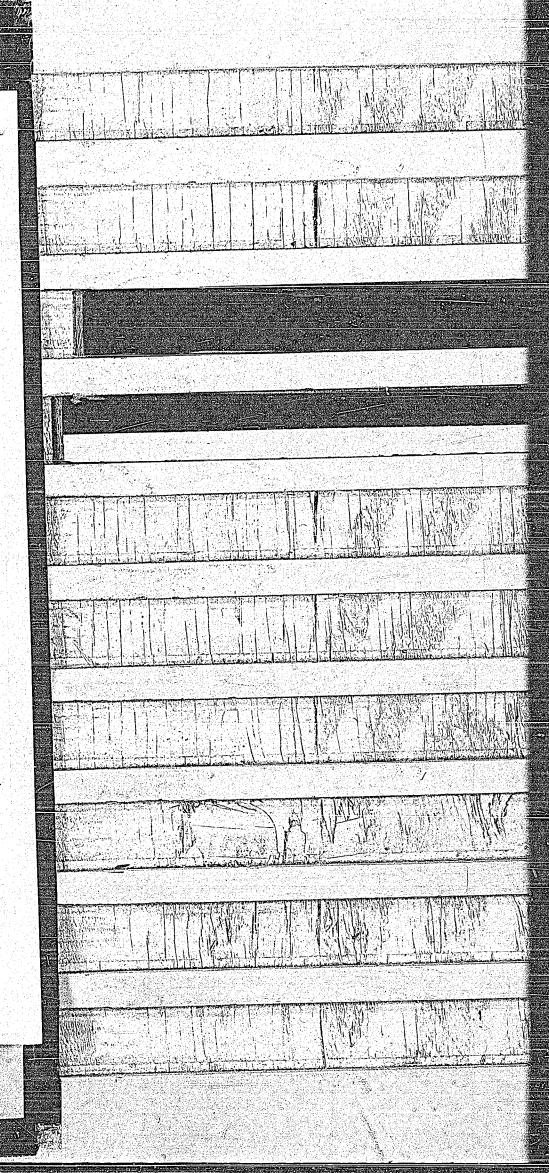
by Buyer to Sellers and all improvements or fixtures placed on the described property shall be retained by the Sellers as liquidated damages, OR:

Sellers may at their option foreclose this contract by strict foreclosure in equity, and upon the filing of such suit, all of the Buyer's right, title and interest in and to the above described property shall immediately cease, Sellers shall be entitled to the immediate possession of said property, they may enter forcibly and take possession of said property, removing the Buyer and his effects, and all payments theretofore made by Buyer to the Sellers and all improvements or fixtures placed upon the described real property shall be forfeited to the Sellers as liquidated damages. Such right to possession in the Sellers shall not be deemed inconsistent with the suit for strict foreclosure but shall be in furtherance thereof, and in the event Buyer: shall refuse to deliver possession upon the filing of such suit, Buyer by the execution of this contract consents to the entry of an interlocutory order granting possession of the premises to the Sellers immediately upon the filing of any suit forstrict foreclosure without the necessity of the Sellers posting a bond, or having a receiver appointed, OR:

Sellers shall have the right to declare the entire unpaid principal balance of the purchase price, withinterest thereon, at once due and payable, and in such event, Sellers may either bring an action at law for the balance due, thereby waiving the security, or in the alternative, may file suit in equity for such unpaid balance of prnicipal and interest and have the property sold at judicial sale, with the proceeds thereof applied to the court costs, attorney's fees, and the balance due the Sellers, and may recover a deficiency judgment against the Buyer for any unpaid balance remaining thereon.

In addition to the aforementioned remedies, Sellers shall have any and all other remedies under the law.

In case suit oraaction is instituted to enforce any of the provisions of this contract, the prevailing parties shall be entitled



8785 to such sums as the Court may adjudge reasonable as attorney's fees in said suit or action, in addition to costs and disbursements provided The Buyer further agrees that failure by the Sellers at any time to require performance by the Buyer of any provision hereof shall in no way affect the Sellers' right hereunder to enforce the same, nor shall any waiver by said Sellers of the breach of any provision hereof be held to be a waiver of any succeeding breach of any such provision, or as a waiver of the provision itself. IN WITNESS WHEREOF, the said parties have hereunto set their hands in duplicate the day and year first above written. Lowens Les Jerrario

Lowens Lisellers

Thank Craig Gran.

Buyer STATE OF OREGON; COUNTY OF KLAMATH; ss. Filed for record at request of Frank Whank this 31st day of August A. D. 19 66 ct3:18 clock P. M., and duly recorded in Vol. M-66, ci Contract of Jale on Page 8780.

DOROTHY ROGERS, County Clerk

By Dolows Jawa

By Dolows Jawa 38

Call