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-C O N T R A C T-

THIS CONTRACT, made this 28 day of May, 1968, by and between CHARLES L. MECHAM and LILLIAN MECHAM, husband and wife, hereinafter called "Sellers," and JOHN M. SMITH and DOROTHY R. SMITH, husband and wife, hereinafter called purchasers.

W I T N E S S E T H:

The seller agrees to sell to the Purchaser, and the Purchaser agrees to purchase of the Seller, the following described real estate with the appurtenances, situate in Klamath County, Oregon, to-wit:

The N 120' of Lot 29, Block 1, of Bryant Tracts No. 2 according to the official plat thereof on file in the office of the County Clerk, of Klamath County, Oregon.

free from encumbrances excepting easements and restrictions of record and those apparent on the land, on the following terms and conditions. The purchase price is Four Thousand Dollars, ($4,000.00) to be paid as follows: Monthly payments of at least Fifty Dollars ($50.00) inclusive of interest to be paid on or before the 20th day of each month, the first payment to made on June 20, 1968. Said payments to include interest on the unpaid balance at a rate of 7 per cent per annum, said interest to begin upon the date of this contract.

The purchaser agrees to pay before delinquent all payments of whatsoever nature required to be made upon and by virtue of this agreement, and all taxes and assessments which are above assumed by them, and all of which may hereafter become a lien upon the premises.

In the event that the Purchaser shall fail to pay before delinquency any taxes or assessments or any payments required to be made on account of the contract, the Seller may pay such taxes and assessments, and the amounts paid thereafter by him shall be deemed a part of the purchase price and become payable forthwith, with interest at the rate of 10 per cent per annum until paid, without prejudice to other rights by reason of such failure.

The Purchaser agrees to assume all risk of damage to any improvements upon the premises, or of the taking of any part of the property for public use; that no such damage or taking shall constitute a failure of consideration, but in case of such damage or taking, all monies received by the Seller by reason thereof shall be applied as a payment on account of the purchase price of the property, less any sums of money which the seller may be required to expend in procurring such money, or at the election of the Seller, to the rebuilding or restoration of such improvements.

Seller agrees on the execution of this contract to place in escrow at First Federal Savings and Loan Association, Klamath Falls, Oregon, a Warranty Deed to the real property hereinabove described, showing the same to be free of encumbrances, except as hereinbefore specified.

The parties agree: (1) That the puchaser has made full inspection of the real estate and that no promise, agreement or representation respecting the condition of any building or improvement thereon, or relating to the alteration or repair thereof, or the placing of additional improvements thereon, shall be binding unless the promise, agreement or representation be in writing and made a part of this contract; (2) That the Purchaser shall have possession of the real estate on May 29, 1968, and be entitled to retain possession so long as Purchaser is not in default in carrying out the terms hereof; and (3) that, upon default, forfeiture may be declared by notice sent by registered mail to the address of the Purchaser, or his assigns, last known to the Seller.

It is further agreed that time is of the essence hereof, and in the event the Purchaser shall fail to comply with or perform any condition or agreement hereof promptly at the time and

in the manner herein required, the Seller may elect to declare all of the Purchaser's rights hereunder terminated, and upon his doing so, all payments made by the Purchaser hereunder and all improvements placed upon the premises shall be forfeited to the Seller as liquidated damages, and the Seller shall have the right to re-enter and take possession of the property, and if the Seller shall commence an action to procure an adjudication of the termination of the Purchaser's rights hereunder, the Purchaser agrees to pay the expense of searching the title for the purpose of such action, together with all costs and a reasonable attorney's fee.

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

Charles L. Mecham
Lillian Mecham —Sellers

John M. Smith
Dorothy R. Smith —Purchasers

STATE OF OREGON)
) ss.
County of Klamath)

May 29, A.D., 1968

Personally appeared the above named Charles L. Mecham Lillian Mecham John M. Smith, Dorothy R. Smith the parties herein, and acknowledged to me that they executed the foregoing contract as their voluntary act and deed.

Before me:

Notary Public for Oregon
My Commission Expires: 3-3-69

3 CONTRACT

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record ~~at request of~~

this 2nd day of MARCH A.D. 19 72 at 11:00 o'clock A.M., and duly recorded in Vol. M 72, of DEEDS on Page 2240

FEE $6.00

Wm D. MILNE, County Clerk
By Hazel Driggs

Mail Jack Statement To
John M. Smith
4177 Brichaven
R. Dallas Ore.