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CONTRACT OF SALE

THIS CONTRACT made and entered into this 20th day of December, 1976, by and between HOWARD T. KELLISON and Mildred KELLISON, husband and wife, hereinafter referred to as "Sellers," and JOHN D. TEJADA and LINDA S. TEJADA, husband and wife, hereinafter referred to as "Purchasers":

W I T N E S S E T H :

The Sellers agree to sell to the Purchasers and the Purchasers agree to purchase from the Sellers the following described real property situated in the county of Klamath, state of Oregon, to-wit:

Lot 27 of CASITAS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

on the following terms and conditions:

The purchase price is Seven Thousand Eight Hundred Dollars ($7,800), of which One Thousand Five Hundred Dollars ($1,500) has been paid as a downpayment on the execution hereof, the receipt of which is hereby acknowledged, and the Purchasers agree to pay the balance of said purchase price as follows: Six Thousand Three Hundred Dollars ($6,300) to be paid to the order of Sellers in monthly installments of not less than Seventy-five Dollars ($75) each commencing on the 20th day of January, 1977, and a like payment being due on the 20th day of each month thereafter and continuing until said purchase price is fully paid. All of said purchase price may be paid at any time; all deferred balances of said purchase price shall bear interest at the rate of eight and one-half percent (8½%) per annum from December 20, 1976, until paid, interest to be paid monthly and being included in the minimum monthly payments above required.

The Purchasers shall be entitled to possession of said premises as of December 20, 1976. The real property taxes assessed on said premises and insurance premiums shall be paid by the Purchasers as they become due.

The property has been carefully inspected by the Purchasers and no agreements or representations pertaining thereto, or to this transaction, have been made, save such as are stated herein.

The Purchasers agree to pay before delinquent all assessments which shall hereafter be assessed against the property and any which, as between Sellers and Purchasers hereafter become a lien upon the premises; not to permit waste; and not to use the premises for any illegal purpose. If the Purchasers shall fail to pay before delinquent any such assessments, the Sellers may pay them and the amounts so paid shall be deemed part of the purchase price and be payable forthwith with interest at the rate of ten percent (10%) per annum until paid, without prejudice to any other rights of the Sellers by reason of such failure.

The Purchasers assume all risk of taking of the property for a public use and agree that any such taking shall not constitute a failure of consideration, but all monies received by Sellers by reason thereof shall be applied as a payment on account of the purchase price, less any sums which the Sellers may be required to expend in procuring such monies.

The Sellers agree, upon execution of this contract, to place in escrow at First Federal Savings and Loan Association of Klamath Falls, Oregon, a warranty deed to the property, free of encumbrances except easements, restrictions, rights-of-way of record and those apparent on the land.

This instrument as well as any interest therein or the property described therein shall not be assigned without first obtaining the written consent of the Sellers.

Time is of the essence hereof, and in the event Purchasers shall fail to pay any amount herein provided within thirty (30) days of the due date thereof, or shall fail to comply with or perform any condition or agreement hereof promptly at the time and in the manner herein required, the Sellers may elect to declare all of the Purchasers' rights hereunder terminated. Upon termination of the Purchasers' rights, all payments made hereunder and all improvements placed upon the premises shall be forfeited to the Sellers as liquidated damages, and the Sellers shall have the right to re-enter and take possession of the property; and if the Sellers after such forfeiture shall commence an action to procure an adjudication of the termination of the Purchasers' rights hereunder, the Purchasers agree to pay the expense of searching the title for the purpose of such action, together with all costs and a reasonable attorney's fee.

This contract has been prepared by Crane & Bailey, Attorneys at Law, 325 Main Street, Klamath Falls, Oregon 97601, as attorneys for the Sellers. Purchasers acknowledge that they have been advised of their right to seek separate counsel to advise them in this transaction.

At Purchasers' expense they 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 Six Thousand Three Hundred Dollars ($6,300) in a Company or companies satisfactory to the Sellers, with loss payable first to the Sellers and then to the Purchasers as their respective interests may appear, and a copy of said policy of insurance shall be delivered as soon as issued to the Sellers.

Sellers agree to pay all attorney's fees incurred in preparation of these documents and the closing costs incurred herein.

Until a change is requested, all tax statements shall be sent to: Mr. and Mrs. John D. Tejada
12729 S.W. 19th Street
Lake Oswego, Oregon 97034

After recording, return to: Town & Country Realty
1052 So. Sixth St.
Klamath Falls, OR 97601

IN WITNESS WHEREOF, the parties have executed this contract of sale in triplicate on the date first above written.

Howard T. Kellison — John D. Tejada

Mildred Kellison — Linda S. Tejada

SELLERS — PURCHASERS