

THIS AGREEMENT, made and entered into this 24 day of July, 1978, by and between RICHARD NELSEN hereinafter called Seller; and BASIN CONSTRUCTION, INC., An Oregon Corporation hereinafter called Buyer; it being understood that the singular shall include the plural if there are two or more sellers and/or buyers.

WITNESSETH

Seller agrees to sell to the Buyer and the Buyer agrees to buy from the Seller for the price and on the terms and conditions set forth hereafter all of the following described property and improvements situate in Klamath County, State of Oregon, to-wit: That portion of the S 1/2 SE 1/4 of Section 18, Twp. 40 S., R. 10 E., S.W.M., Klamath County, Oregon, lying Southerly and Westerly of the Southern Pacific Railroad right-of-way and Northerly and Easterly of the Klamath Irrigation District No. 5 Drain, Oregon, large and small, situated, viewed, SUBJECT TO: 1978-79 real property taxes, which are now a lien, but not yet payable, and all future real property taxes & assessments; reservations, restrictions, easements & rights of way of record, & those apparent on the land; rights of the public in and to any portion of the herein described premises lying within the limits of streets, roads or highways; Mortgage in favor of The Federal Land Bank of Spokane dated 9/20/77, recorded 9/23/77 in M-77, page 17877, Microfilm Records of Klamath County, Oregon, which said Mortgage Seller agrees to pay according to the terms thereof and hold Buyer harmless therefrom.

The purchase price thereof shall be the sum of \$ 75,000.00, payable as follows: \$ 10,000.00 upon the execution hereof; the balance of \$ 65,000.00 shall be paid in monthly installments of \$539.86 including interest at the rate of 9 % per annum on the unpaid balances, the first such installment to be paid on the 15th day of August, 1978, and a further and like installment to be paid on or before the 15th day of every month thereafter until the entire purchase price, including both principal and interest, is paid in full. PROVIDED HOWEVER that Buyer shall pay an additional payment of \$5,000.00 on December 1, 1978. It is mutually agreed as follows:

1. Interest as aforesaid shall commence from 7/24/78. Buyer shall be entitled to possession of the property as of 7/24/78.
2. After 1/1/79, Buyer shall have the privilege of increasing any payment or prepaying the entire balance with interest due thereon to the date of payment.
3. Buyer shall pay promptly all indebtedness incurred by their acts which may become a lien or purported lien upon said property, and shall regularly and before the same shall become delinquent, pay all taxes, including adjustment of same for any reason; assessments, liens, corporate liens, and encumbrances of whatever kind affecting said property after this date, provided, all such taxes, assessments and charges for the current year shall be pre-paid as of 7/24/78, and in the event Buyer shall fail to so pay, when due, any such matters or amounts required by Buyer to be paid hereunder, or to procure and pay seasonably for insurance, Seller may pay any or all such amounts and any such payment shall be added to the purchase price of said property on the date such payments are made by Seller and such amount shall bear interest at the same rate as provided above, without waiver, however, of any right owing to Seller for Buyer's breach of contract; and, in such event or events, the escrow holder is hereby directed and authorized to so add such amounts to the contract balance upon being tendered a proper receipt therefor.

4. Buyer shall keep the buildings on the property insured against loss or damage by fire or other casualty in an amount not less than the insurable value thereof with loss payable to the parties hereto and the interests herein reflected, if any, all, as their interests appear at the time of loss, all uninsured losses shall be borne by Buyer, on or after the date Buyer becomes entitled to possession.

5. Buyer agrees that all improvements now located or which shall hereafter be placed on the property shall remain a part of the real property and shall not be removed at any time prior to the expiration of this agreement without the written consent of Seller. Buyer shall not commit or suffer any waste of the property, or any improvements thereon, or alteration thereof, and shall maintain the property, improvements and alterations thereof, in good condition and repair, provided, Buyer shall not make or cause to be made any major improvement or alteration to the property without first obtaining the written consent of Seller.

6. Seller shall upon the execution hereof make and execute in favor of Buyer a good and sufficient deed conveying said property free and clear of all liens and encumbrances, except as herein provided, and which Buyer assumes, unless otherwise therein provided, and will place said deed, together with one of these agreements in escrow at 1st National Bank of Oregon, S. 6th Branch, Klamath Falls, Oregon, and shall enter into written escrow instructions in form satisfactory to said escrow holder and the parties hereto, instructing said escrow holder that when, and if, Buyer 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 deed to Buyer, but in case of default by Buyer said escrow holder shall, on demand, surrender said instruments to Seller;

7. Until a change is requested, all tax statements shall be sent to the following address:

Basin Construction, Inc.
701 Main Street
Klamath Falls, Oregon 97601

16038

1 STATE OF OREGON)
2 County of Klamath) ss.

July 24, 1978

3 Personally appeared KEITH MCCLUNG and JIMMY MCCLUNG who,
4 being duly sworn, each for himself and not one for the other, did
5 say that the former is the President and that the latter is the
6 secretary of BASIN CONSTRUCTION, INC., an Oregon Corporation,
7 and that the seal affixed to the foregoing instrument is the
8 corporate seal of said corporation and that said instrument was
9 signed and sealed in behalf of said corporation by authority of
10 its board of directors; and each of them acknowledged said
11 instrument to be its voluntary act and deed.

BEFORE ME:

Don H. O'Connell
Notary Public for Oregon
My Commission expires: 10-20-81

PERSONAL GUARANTEE

12 In consideration of Seller agreeing to sell the real property
13 described and set forth on the attached Contract of Sale to Buyer,
14 the undersigned jointly and severally guarantee, as joint obligors
15 with Buyer, the faithful and punctual performance of the attached
16 agreement and agree to pay any such deferred balance of said pur-
17 chase price if Buyer shall be in default with respect thereto.

Keith McClung
Keith McClung
Jimmy L. McClung
Jimmy McClung

21 STATE OF OREGON)
22 County of Klamath) ss.

July 24, 1978

23 Personally appeared KEITH MCCLUNG and JIMMY MCCLUNG and
24 acknowledged the foregoing instrument to be their voluntary act
25 and deed.

BEFORE ME:

Don H. O'Connell
Notary Public for Oregon
My Commission expires: 10-20-81

Page (3) Contract of Sale
Nelsen to Basin Contraction, Inc.

STATE OF OREGON; COUNTY OF KLAMATH; ss. :

I hereby certify that the within instrument was received and filed for record on the 24th day of
July A.D., 1978 at 3:44 o'clock P.M., and duly recorded in Vol. N78
of Deeds on Page 16038.

FEE \$9.00

WM. D. MILNE, County Clerk
By Beverly H. Hildebrand Deputy

PREVENTION & PROTECTION
OF THE PUBLIC
IN THE EVENT OF A
NATURAL DISASTER
TELEPHONE
504-222-2222
FAX 504-222-2222