

This Agreement, made and entered into this 19th day of May, 1989, by and between
Red C. Hughes and Jean C. Hughes

hereinafter called the vendor, and

Bruce L. Dunlap and Carla Dunlap, husband and wife, hereinafter called the vendee.

WITNESSETH

Vendor S. agrees to sell to the vendee S. and the vendee S. agrees to buy from the vendor S. all of the following described property situated in Klamath County, State of Oregon, to-wit:

All that portion of the NW 1/4 NW 1/4 of Section 28, Township 34 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon, that lies Easterly of the Sprague River, Northerly of the Chiloquin-Sprague River Highway and Southerly of the following described line:

A line being, at all points halfway, when measured perpendicular to the North section line of said Section 28, between said section line and the Northerly right of way line of the Chiloquin-Sprague River Highway. Code: 8; Map: 3408-28B0; TL: 300; Key No. 210113

SUBJECT TO: Easements, Rights of Way of Record and those apparent on the land; Rules and Regulations of the Fire Patrol District; all matters arising from any shifting in the course of Sprague River, including but not limited to accretion, reliction and avulsion.
SUBJECT TO: Contract dated 11/23/76, between George A. Pondella, Jr. & Josephine L. Snyder as vendors and Clarence W. Colvard and Judith Ann Colvard as vendees, recorded December 2, 1976, book M76, page 19331; Vendors' interest assigned to Josephine L. Snyder, recorded December 4, 1981, book M81, page 20839; and vendees' interest assigned to R.C. Hughes and Jean C. Hughes, recorded October 21, 1982, book M82, pages 14013 & 14014

vendors agree to hold harmless therefrom;

at and for a price of \$ 55,000.00

, payable as follows, to-wit:

\$ 6,000.00

at the time of the execution

of this agreement, the receipt of which is hereby acknowledged; \$ 49,000.00

with interest at the rate of 9 %

per annum from May 19, 1989

payable in installments of not less than \$ 496.99

month, inclusive of interest, the first installment to be paid on the 19th day of June 1989, and a further installment on the 19th day of every month thereafter until the full balance and interest

are paid. Purchasers have inspected the property and accept the property in its present condition and acknowledge that the sellers have made no warranties or representations as to the condition of the property.

Vendee S. agrees to make said payments promptly on the dates above named to the order of the vendor, or the survivors of them, at the Aspen Title & Escrow, Inc.

at Klamath Falls, Oregon; to keep said property at all times in as good condition as the same now are, that no improvement, now on or which may hereafter be placed on said property shall be removed or destroyed before the entire purchase price has been paid; and that said property will be kept insured in companies approved by vendor against loss or damage by fire in a sum not less than \$ full insurable value with loss payable to the parties as their respective interests may appear, said policy or policies of insurance to be held by vendees that vendee shall pay regularly and seasonably and before the same shall become subject to interest charges, all taxes, assessments, liens and incumbrances of whatsoever nature and kind

and agrees not to suffer or permit any part of said property to become subject to any taxes, assessments, liens, charges or incumbrances whatsoever having precedence over rights of the vendor in and to said property. Vendee shall not cut or remove any timber on the premises without written consent of vendor. Vendee shall be entitled to the possession of said property.

Vendor will on the execution hereof make and execute in favor of vendee good and sufficient warranty deed conveying a fee simple title to said property free and clear as of this date of all incumbrances whatsoever, except those as set forth above.

which vendee assumes, and will place said deed

together with one of these agreements in escrow at the Aspen Title & Escrow, Inc.

at Klamath Falls, Oregon

27 MAY 11 1989

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and shall enter into written escrow instruction in form satisfactory to said escrow holder, instructing said holder that when, and if, 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 vendor.

But in case vendee shall fail to make the payments aforesaid, or any of them, punctually, and upon the strict terms and at the times above specified, or fail to keep any of the other terms or conditions of this agreement, time of payment and strict performance being declared to be the essence of this agreement, then vendor shall have the following rights: (1) To foreclose this contract by strict foreclosure in equity; (2) To declare the full unpaid balance immediately due and payable; (3) To specifically enforce the terms of the agreement by suit in equity; (4) To declare this contract null and void, and in any of such cases, except exercise of the right to specifically enforce this agreement, by suit in equity, all the right and interest hereby created or then existing in favor of vendee, derived under this agreement, shall utterly cease and determine, and the premises aforesaid shall revert and revert in vendor without any declaration of forfeiture or act of reentry, and without any other act by vendor to be performed and without any right of vendee of reclamation or compensation for money paid or for any improvements made, as absolutely fully and perfectly as if this agreement had never been made.

Should vendee, while in default, permit the premises to become vacant, Vendor may take possession of same for the purpose of protecting and preserving the property and his security interest therein, and in the event possession is so taken by vendor he shall not be deemed to have waived his right to exercise any of the foregoing rights.

And in case suit or action is instituted to foreclose or to enforce any of the provisions hereof, the prevailing party in such suit or action shall be entitled to receive from the other party his costs which shall include the reasonable cost of title report and title search and such sum as the trial court and or appellate court, if an appeal is taken, may adjudge reasonable as attorney's fees to be allowed the prevailing party in said suit or action and or appeal, if an appeal is taken.

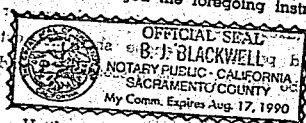
Vendee further agrees that failure by vendor at any time to require performance by vendee of any provision hereof shall constitute a waiver of any succeeding breach of any such provision, or as a waiver of the provision itself. In construing this contract, it is understood that vendor or the vendee may be more than one person; that if the context so requires the singular pronoun shall be taken to mean and include the plural, the masculine the feminine, and the neuter, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

This agreement shall bind and inure to the benefit of, as the 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.

Witness the hands of the parties the day and year first herein written.
Bruce L. Dunlap
Carla Dunlap
R. C. Hughes, by Jean C. Hughes, his attorney in fact.
Jean C. Hughes

STATE OF CALIFORNIA
County of Sacramento
Personally appeared the above named **Bruce L. Dunlap and Carla Dunlap** and acknowledged the foregoing instrument to be their act and deed.



Notary Public for California
My commission expires: August 17, 1990

Until a change is requested, all tax statements shall be sent to the following name and address:
State of Oregon, County of _____
I certify that the within instrument was received for record on the _____ day of _____ 19____ at _____ o'clock _____ m and recorded in book _____ on page _____
Record of Deeds of said County.

From the office of
WILLIAM L. SISEMORE
Attorney at Law
First Federal Bldg.
540 Main Street
Klamath Falls, Ore.

Witness My Hand and Seal of County Affixed.
By _____
County Clerk - Recorder
Deputy

and shall enter into written escrow instruction in form satisfactory to said escrow holder, instructing said holder that when, and 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 vendor.

But in case vendee shall fail to make the payments aforesaid, or any of them, punctually and upon the strict terms and at the times above specified, or fail to keep any of the other terms or conditions of this agreement, time of payment and strict performance being declared to be the essence of this agreement, then vendor shall have the following rights: (1) To foreclose this contract by strict foreclosure in equity; (2) To declare the full unpaid balance immediately due and payable; (3) To specifically enforce the terms of the agreement by suit in equity; (4) To declare this contract null and void, and in any of such cases, except exercise of the right to specifically enforce this agreement by suit in equity, all the right and interest hereby created or then existing in favor of vendee derived under this agreement shall utterly cease and determine, and the premises aforesaid shall revert and revest in vendor without any declaration of forfeiture or act of reentry, and without any other act by vendor to be performed and without any right of vendee of reclamation or compensation for money paid or for improvements made, as absolutely, fully and perfectly as if this agreement had never been made.

Should vendee, while in default, permit the premises to become vacant, Vendor may take possession of same for the purpose of protecting and preserving the property and his security interest therein, and in the event possession is so taken by vendor he shall not be deemed to have waived his right to exercise any of the foregoing rights.

And in case suit or action is instituted to foreclose or to enforce any of the provisions hereof, the prevailing party in such suit or action shall be entitled to receive from the other party his costs which shall include the reasonable cost of title report and title search and such sum as the trial court and or appellate court, if an appeal is taken, may adjudge reasonable as attorney's fees to be allowed the prevailing party in said suit or action and or appeal, if an appeal is taken.

Vendee further agrees that failure by vendor at any time to require performance by vendee of any provision hereof shall in no way affect vendor's right hereunder to enforce the same, nor shall any waiver by vendor of such 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 construing this contract, it is understood that vendor or the vendee may be more than one person; that if the context so requires the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine, and the neuter, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

This agreement shall bind and inure to the benefit of, as the circumstances may require, the parties hereto and their respective heirs, executors, administrators and assigns.

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Witness the hands of the parties the day and year first herein written.

Bruce L. Dunlap

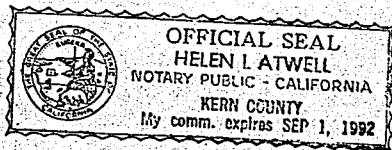
Carla Dunlap

R. C. Hughes, by Jean C. Hughes, his attorney in fact.
Jean C. Hughes

STATE OF CALIFORNIA)
County of KERN)

SS Date: 5-19, 1989

Personally appeared Jean C. Hughes, who being duly sworn, did say that she is attorney in fact for R. C. Hughes and that she executed the foregoing instrument by authority of and in behalf of said principal; and she acknowledged said instrument to be the act and deed of said principal: Before me:

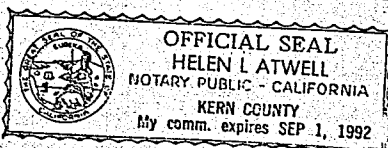


Helen I. Atwell
Notary for California
My Commission Expires: 9-1-92

STATE OF CALIFORNIA)
County of KERN)

SS Date: 5-19, 1989

Personally appeared the above named Jean C. Hughes and acknowledged the foregoing instrument to be her voluntary act and deed: Before me:



Helen I. Atwell
Notary for California
My Commission Expires:

After Recording Return to:
Aspen Title

8963

[illegible]

does not include and generally the property and his security interest therein and in the event possession is so taken by third parties, while in default, leaving the borrower to become account holder and in the event possession is so taken by improvements made, as a result of the said property and interest in the said property.

1. The first step in the process of identifying a problem is to define the problem. This involves identifying the symptoms of the problem and determining the scope of the problem. Once the problem has been defined, the next step is to identify the causes of the problem. This involves identifying the factors that are contributing to the problem and determining the underlying causes. Once the causes have been identified, the next step is to develop a plan of action. This involves identifying the steps that need to be taken to solve the problem and determining the resources that will be needed to implement the plan. Finally, the last step in the process is to evaluate the results of the plan. This involves monitoring the progress of the plan and determining whether the problem has been solved.

STATE OF OREGON: COUNTY OF KLAMATH: SS

Filed for record at request of Aspen Title Co. the 24th day
of May A.D., 19 89 at 11:27 o'clock A. M., and duly recorded in Vol. M89
of Deeds on Page 8960

FEE \$23.00

Evelyn Biehn County Clerk

By Daniel Muckelbauer

APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.
THIS INSTRUMENT, THE PERSON ACQUIRING THE TITLE TO THE PROPERTY SHOULD CHECK WITH THE
VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING
THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN

James E. Douglas
Jean O. Hughes
Attorney in fact.
[Signature]
R. C. Hughes, by Jean O. Hughes, his attorney in fact.

10891, FILE 10891

personally appeared Jean O. Hughes, who being duly sworn, did say that she is attorney in fact for R. O. Hughes and that she executed the foregoing instrument by authority of and in behalf of said principal, and she acknowledged said instrument to be the act and deed of said principal. Before me:

My Commission Expires: _____
Notary for California: _____

OFFICIAL SEAL
MINISTRY OF DEFENSE
ARMED AND ARMED FORCES
MINISTRY OF DEFENSE
OFFICIAL SEAL

STATE OF CALIFORNIA
County of Santa Clara

Personally appeared the above named Jean G. Hughes and acknowledged the foregoing instrument to be her voluntary act and deed: Before me:

DATE: _____, 1989

Notary for California
My Commission Expires:

STAMPED
JAMES EARL RAY
HEWITT & WELSH
ANTHONY J. ...
MILWAUKEE
SEP 1 1968

RECEIVED
FBI - MILWAUKEE
SEP 1 1968