

REAL PROPERTY CONTRACT

THIS AGREEMENT made and entered into this 25th day of May, 1989 by and between JULIA MARIE KIMSEY, hereinafter called the Vendor and Grantor, and KEITH VASILIS and TRINA VASILIS, husband and wife, hereinafter called the Vendees and Grantees.

WITNESSETH:

Vendor agrees to sell to the Vendees and the Vendees agree to buy from the Vendor all of the following described property situated in Klamath County, State of Oregon, to-wit:

Lot 7 in Block 3 of Lenox, according to the official plat thereof on file in the records of Klamath County, Oregon;

SUBJECT TO THE FOLLOWING LAW:

"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." ORS 93.040; and

Also, subject to reservations, restrictions, easements and rights of way of record and those apparent on the land; at and for a price of \$20,000.00, payable as follows to-wit: \$20,000.00 with interest at the rate of 8.0% per annum from May 25, 1989 payable in monthly installments of not less than \$135.00 per month, the first installment to be paid on the 25th day of May, 1989, and a further installment on the 25th day of every month thereafter until May 25, 2019 when the entire remaining principal and interest shall be due and payable. All payments shall be applied first to accrued interest and then to principal.

Vendees agree to make said payments promptly on the dates set forth above to the order of the Vendor, at Klamath First Federal Savings & Loan, 540 Main Street, Klamath Falls, Oregon 97601; 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 the full insurable value of the property with loss payable to the parties as their respective interests may appear, said policy or policies of insurance to be held by Vendor; that Vendees 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 agree 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. Vendees shall be entitled to the possession of said property at the time of execution of this Agreement.

Vendor will on the execution hereof make and execute in favor of Vendees a 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 referred to above, and will promptly deliver said deed to the above said Escrow Agent to be delivered to Vendees upon full payment of the principal balance and interest as provided above.

In the event Vendees 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 a forfeiture of this Contract as provided by law, said rights being cumulative and not exclusive.

Should Vendees, 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 her security interest therein, and in the event possession is so taken by Vendor she shall not be deemed to have waived her right to exercise the foregoing rights.

In the event the within described property, or any part thereof, or any interest therein is sold, agreed to be sold, conveyed, assigned or alienated by the Vendees without first having obtained the written consent or approval of the Vendor, then, at the Vendor's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or herein, shall become immediately due and payable.

In the event suit or action is instituted to foreclose, rescind, forfeit the interest of a party or successor in interest or to otherwise 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 sums as the trial court and or appellate court, if on 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.

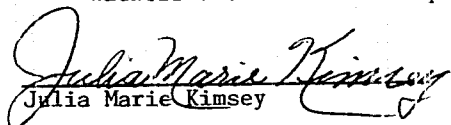
Vendees further agree that failure by Vendor at any time to require performance by Vendees of any provision hereof shall in no way affect Vendor's rights hereunder to enforce the same, nor shall any waiver by Vendor of such breach of any provision hereof be held to be a waiver of any succeeding breach of any such provision, or as a waiver of the provision itself.

This Contract was prepared by William M. Ganong as Attorney for Julia M. Kimsey. Keith Vasilis and Trina Vasilis acknowledge that William M. Ganong does not represent them and that they had the ability to ask their independent legal advisor to review this Contract prior to the time they signed this contract.

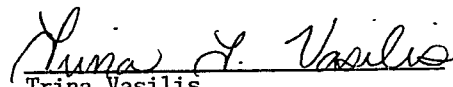
In construing this contract, it is understood that Vendor or the Vendees may be more than one person; that if the context so requires the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine, and the neuter, and that generally all grammatical changes shall be made, 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.

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

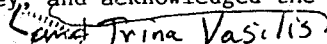

Julia Marie Kimsey


Keith Vasilis



Trina Vasilis

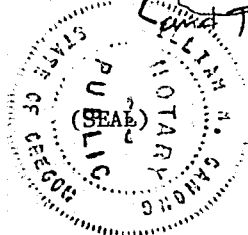
STATE OF OREGON)
) SS
County of Klamath)

Personally appeared this 19th day of May, 1989 the above named Julia Marie Kimsey, and acknowledged the foregoing instrument to be her voluntary act and deed.


Trina Vasilis

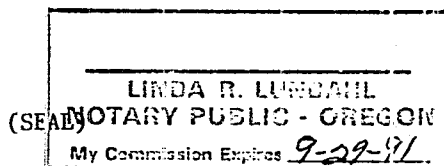
Before Me:


Notary Public for Oregon
My Commission Expires 11-2-90



STATE OF OREGON)
) SS
 County of Klamath)

Personally appeared this 13th day of July, 1989 the above named Keith Vasilis and ~~Trina Vasilis~~, and acknowledged the foregoing instrument to be their voluntary act and deed.



Before Me:

Linda R. Lundahl
 Notary Public for Oregon

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

Mr. & Mrs. Keith Vasilis
 4005 Fawn Avenue
 Klamath Falls, OR 97601

After recording return to: William M. Ganong
 Attorney at Law
 292 Main Street
 Klamath Falls, OR 97601

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of William M. Ganong the 13th day
 of July A.D., 19 89 at 4:10 o'clock P.M., and duly recorded in Vol. M89,
 of Deeds on Page 12875.

FEE \$18.00

Evelyn Biehn, County Clerk

By Dorine Muller