

THIS AGREEMENT, made and entered into this 8th day of July, 1991, by and between RICHARD M. KOMALIS and BETTY J. KOMALIS, hereinafter called Sellers, and JERRY J. FELICIELLO and MYRNA L. FELICIELLO, hereinafter called Buyers,

WITNESSETH:

Sellers agree to sell to the Buyers and the Buyers agree to buy from the Sellers all of the improvements located on Lot 7, Block A, of Recreation Creek Tract, Winema National Forest, Klamath County, Oregon, including: Building Improvements located thereon; All Appliances; Bird Houses; 2 White Chairs; Planters under Deck; Dock; Firewood; Fireplace Insert; Wood Stove; Contents of Propane Tank, at and for a price of \$120,000.00, payable as follows, to-wit:

\$ 20,000.00 at the time of the execution of this agreement, the receipt of which is hereby acknowledged;

100,000.00 with interest at the rate of 10% per annum from July 8, 1991, payable in installments of not less than \$2,124.70 per month, inclusive of interest, the first installment to be paid on the 1st day of August, 1991, and a further installment on the 1st day of every month thereafter until the full balance and interest are paid.

Buyers agree to make said payments promptly on the dates above named to the order of Sellers, or the survivors of them, at Aspen Title & Escrow, Inc., 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 Sellers against loss or damage by fire in a sum not less than its 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 Buyers, that Buyers 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 Sellers in and to said property. Buyers shall comply with all rules and regulations of the United States Forest Service as they relate to the property. Buyers shall not cut or remove timber on the premises without written consent of Sellers, and the United States Forest Service. Buyers shall be entitled to the possession of said property on closing, July 11, 1991.

Sellers will on the execution hereof make and execute in favor of Buyers good and sufficient Bill of Sale conveying title to the Improvements and personal property free and clear as of this date of all incumbrances whatsoever, and a Request for Termination and Application for Special Use Permit transferring the Forest Service Permit to the Buyers, Termination of Financing Statements, UCC 3 and UCC3A, and Buyers will execute in favor of Sellers a UCC1 and UCC 1A Financing Statements and a Request for Termination of and Application for Special Use Permit transferring the Forest Service Permit to Sellers, and will place said Bill of Sale, Request for Termination of and Application of Special Use Permit and UCC3 and UCC3A Termination Statements, together with one of these agreements, in escrow at Aspen Title & Escrow, Inc., Klamath Falls, Oregon, and shall enter into written escrow instructions in form satisfactory to said escrow holder, instructing said holder that when, and if, Buyers 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 Buyers, but that in case of default by Buyers said escrow holder shall, on demand, surrender said instruments to Sellers.

But in case Buyers 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

1 to keep any of the other terms or conditions of this agreement, time of payment  
 2 and strict performance being declared to be the essence of this agreement, then  
 3 Sellers shall have the following rights: (1) To foreclose this contract by  
 4 strict foreclosure in equity; (2) To declare the full unpaid balance immediately  
 5 due and payable; (3) To specifically enforce the terms of the agreement by suit  
 6 in equity; (4) To declare this contract null and void, and proceed to declare  
 7 a forfeiture under the provisions of ORS 93.905 to 93.945; and in any of such  
 8 cases, except exercise of the right to specifically enforce this agreement by  
 9 suit in equity, all the right and interest hereby created or then existing in  
 10 favor of Buyers derived under this agreement shall utterly cease and determine,  
 11 and the premises aforesaid shall revert and revest in Sellers without any decla-  
 12 ration of forfeiture or act of reentry, and without any other act by Sellers  
 13 to be performed and without any right of Buyers of reclamation or compensation  
 14 for money paid or for improvements made, as absolutely, fully and perfectly as  
 15 if this agreement had never been made.

16 Should Buyers, while in default, permit the premises to become vacant, Sel-  
 17 lers may take possession of same for the purpose of protecting and preserving  
 18 the property and their security interest therein, and in the event possession  
 19 is so taken by Sellers they shall not be deemed to have waived their right to  
 20 exercise any of the foregoing rights.

21 And in case suit or action is instituted to foreclose or to enforce any of  
 22 the provisions hereof, the prevailing party in such suit or action shall be en-  
 23 titled to receive from the other party their costs, which shall include the  
 24 reasonable cost of title report and title search and such sum as the trial court  
 25 and/or appellate court, if an appeal is taken, may adjudge reasonable as at-  
 26 torney's fees to be allowed the prevailing party in said suit or action and/or  
 27 appeal, if an appeal is taken.

28 Buyers further agree that failure by Sellers at any time to require per-  
 29 formance by Buyers of any provision hereof shall in no way affect Sellers' right  
 30 hereunder to enforce the same, nor shall any waiver by Sellers of such breach of  
 31 any provision hereof be held to be a waiver of any succeeding breach of any such  
 32 provision, or as a waiver of the provision itself.

33 This agreement shall bind and inure to the benefit of, as the circumstances  
 34 may require, the parties hereto and their respective heirs, executors, administra-  
 35 tors and assigns.

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

37 Richard M. Kowalis  
 38 Richard M. Kowalis

39 Betty J. Kowalis  
 40 Betty J. Kowalis

41 Jerry J. Feliciello  
 42 Jerry J. Feliciello  
 43 Myrna L. Feliciello 7/10/91  
 44 Myrna L. Feliciello

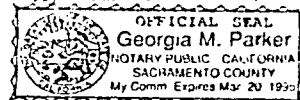
45 P. O. Box 371  
 46 Lakeside, OR 94449

47 STATE OF OREGON )  
 48 County of Klamath ) SS

49 On this 8th day of July, 1991, personally appeared the above-named  
 50 Richard M. Kowalis and Betty J. Kowalis; and Jerry J. Feliciello, ~~and Myrna L.~~  
 51 Feliciello, and acknowledged the foregoing instrument to be their act and deed.  
 52 Before me:

(SEAL)

My Commission Expires:



Notary Public for Oregon

Mail Tax Statements to:  
 Jerry J. & Myrna L. Feliciello

WILLIAM L. SISEMORE  
 Attorney at Law  
 549 Main Street  
 Klamath Falls, ORE  
 97601

503-882-7229  
 OSB #70133

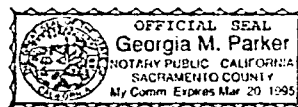
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STATE OF ~~OREGON~~ <sup>CALIFORNIA-HP</sup> }  
 County of SACRAMENTO-HP } ss.

BE IT REMEMBERED, That on this 10 day of JULY, 1991,  
 before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within  
 named MYRNA L. FELICIELLO

known to me to be the identical individual described in and who executed the within instrument and  
 acknowledged to me that SHE executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed  
 my official seal the day and year last above written.



GENERAL ACKNOWLEDGMENT  
 Form No. 9-16

Georgia M. Parker  
 Notary Public for Oregon. CALIFORNIA  
 My Commission expires MARCH 20, 1995

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title co. the 11th day  
 of July A.D. 19 91 at 3:10 o'clock P.M., and duly recorded in Vol. M91  
 of Miscellaneous on Page 13520

FEE \$18.00

Evelyn Biehn, County Clerk

By Danice M. Mendenhall

Return: ATC