

ORIGINAL**MEMORANDUM OF CONTRACT OF SALE**DATED: June 21, _____, 1995BETWEEN: JOSEPH J. BAIR and MARY ELLEN BAIR, ("Seller")
Husband and WifeAND: JOHN W. BAIR and CARMEN BAIR, ("Purchaser")
Husband and Wife

Pursuant to a Contract of Sale dated June 21, 1995, Seller sold to Purchaser Seller's interest in that certain property in Klamath County, Oregon, more particularly described in the attached Exhibit "A". If not earlier paid, all amounts owed under the Contract of Sale shall be due and payable on December 1, 2004. The true and actual consideration for this conveyance is \$180,000.00.

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 ANY INTEREST IN OR TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

Until a change is requested, all tax statements shall be sent to the following address: JOHN BAIR and CARMEN BAIR, 4960 LOMBARDY LANE, KLAMATH FALLS, OREGON 97603

IN WITNESS WHEREOF, the parties have caused this memorandum to be executed as of the day and year first above written.

Seller:

Purchaser:

Joseph J. Bair
JOSEPH J. BAIR

John W. Bair
JOHN W. BAIR

Mary Ellen Bair
MARY ELLEN BAIR

Carmen Bair
CARMEN BAIR

AFTER RECORDING RETURN TO:

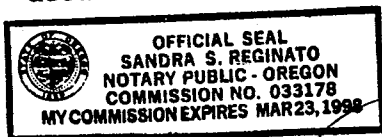
Jerry M. Molatore
426 Main Street
Klamath Falls, Oregon 97601

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5 or

STATE OF OREGON)
)ss.
County of Klamath)

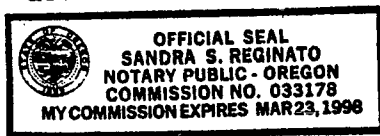
Personally appeared the above named JOSEPH J. BAIR and
acknowledged the foregoing instrument to be his voluntary act and
deed.



Sandra S. Reginato
NOTARY PUBLIC FOR OREGON
My Commission Expires: 03/23/98

STATE OF OREGON)
)ss.
County of Klamath)

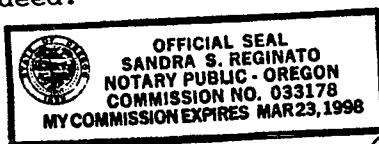
Personally appeared the above named MARY ELLEN BAIR and
acknowledged the foregoing instrument to be her voluntary act and
deed.



Sandra S. Reginato
NOTARY PUBLIC FOR OREGON
My Commission Expires: 03/23/98

STATE OF OREGON)
)ss.
County of Klamath)

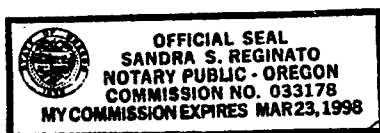
Personally appeared the above named JOHN W. BAIR and
acknowledged the foregoing instrument to be his voluntary act and
deed.



Sandra S. Reginato
NOTARY PUBLIC FOR OREGON
My Commission Expires: 03/23/98

STATE OF OREGON)
)ss.
County of Klamath)

Personally appeared the above named CARMEN BAIR and
acknowledged the foregoing instrument to be her voluntary act and
deed.



Sandra S. Reginato
NOTARY PUBLIC FOR OREGON
My Commission Expires: 03/23/98

EXHIBIT A
LEGAL DESCRIPTION

PARCEL 1

Tracts 16 and 17 of 400 Subdivision, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, EXCEPTING THEREFROM a tract of land more particularly described as follows:

Beginning at the Northeast corner of said Tract 16, marked by a 5/8 inch by 30 inch iron pin; thence North 89 degrees 32' West along the South line of Lombardi Lane, 395 feet to a 5/8 inch by 30 inch iron pin; thence South 00 degrees 28' West 150.00 feet to a 5/8 inch by 30 inch iron pin; thence South 89 degrees 32' East 583.60 feet to a 5/8 inch by 30 inch iron pin; thence continuing South 89 degrees 32' East 18.64 feet to the apparent centerline of the Klamath Irrigation District Canal and the Easterly line of said Tract 17; thence North 25 degrees 46' West along said line 167.22 feet to the South line of said Lombardi Lane and the Northeast corner of said Tract 17; thence North 89 degrees 32' West 18.64 feet to a 5/8 inch by 30 inch iron pin; thence continuing North 89 degrees 32' West 114.68 feet to the point of beginning.

PARCEL 2

A tract of land situated in Tracts 16 and 17, 400 Subdivision, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, more particularly described as follows:

Beginning at the Northeast corner of said Tract 16, marked by a 5/8 inch by 30 inch iron pin; thence North 89 degrees 32' West along the South line of Lombardi Lane, 395 feet to a 5/8 inch by 30 inch iron pin; thence South 00 degrees 28' West 150.00 feet to a 5/8 inch by 30 inch iron pin; thence South 89 degrees 32' East 583.50 feet to a 5/8 inch by 30 inch iron pin; thence continuing South 89 degrees 32' East 18.64 feet to the apparent centerline of the Klamath Irrigation District Canal and the Easterly line of said Tract 17; thence North 25 degrees 46' West along said line 167.22 feet to the South line of said Lombardi Lane and the Northeast corner of said Tract 17; thence North 89 degrees 32' West 18.64 feet to a 5/8 inch by 30 inch iron pin; thence continuing North 89 degrees 32' West 114.68 feet to the point of beginning.

Subject to the following exceptions:

Schedule B from this policy.

POLICY FORM

SCHEDULE B

Policy Number: 38-3617-107-00000273

MTC NO: 30488-KR

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

General Exceptions:

- (1) Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
- (2) Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
- (3) Easements, liens or encumbrances, or claims thereof, which are not shown by the public records; unpatented mining claims, reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
- (4) Discrepancies, conflicts in boundary lines, shortages in area, encroachments or any other facts which a correct survey would disclose.

5. The assessment roll and the tax roll disclose that the premises herein described have been specially assessed as Farm Use Land. If the land becomes disqualified for the special assessment under the statute, an additional tax may be levied; in addition thereto a penalty may be levied if notice of disqualification is not timely given.

6. The premises herein described are within and subject to the statutory powers, including the power of assessment, of Klamath Irrigation District.

7. The premises herein described are within and subject to the statutory powers, including the power of assessment, of Klamath Basin Improvement District.

8. The terms and provisions of instrument entitled "Notice to Persons intending to Plat Lands within the Klamath Basin Improvement District", recorded July 24, 1970 in Volume M70, page 6187, Microfilm Records of Klamath County, Oregon.

9. An easement created by instrument, subject to the terms and provisions thereof, Recorded: March 13, 1979
Volume: M79, page 5762, Microfilm Records of Klamath County, Oregon
For: "a 20 foot, measured at right angles to said canal, ingress and egress easement adjacent to and along the westerly line of said canal."

10. Right of Way Easement, subject to the terms and provisions thereof;
Dated: April 26, 1985
Recorded: May 14, 1985
Volume: M85, page 7170, Microfilm Records of Klamath County, Oregon
In Favor of: Pacific Power & Light Company, a corporation
For: Electric transmission and distribution line

11. Any improvement located upon the insured property which is described or defined as a Mobile Home under the provisions of Chapters 803 and 820, Oregon Revised Statutes, and is subject to registration as provided therein.

12. Financing Statements or Federal Tax Liens, if any, filed with the Secretary of State.

SCHEDULE B (STANDARD COVERAGE)
Reorder Form No. 2230

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Jerry Molatore the 17th day
of July A.D., 19 95 at 1:24 o'clock P M., and duly recorded in Vol. M95
of Deeds on Page 18390
By Bernetha G. Lisch, County Clerk

FEE \$45.00