

Sellers: John A and Alice F. Ruger
565 14th Street NE
Salem, OR 97301

Buyer: Edward A. and Bernadette A. Miranda
26646 Rocky Point Road
Klamath Falls, OR 97601

After recording, return to:
John A and Alice F. Ruger
565 14th Street NE
Salem, OR 97301

Until requested otherwise, send all tax statements to:
John A and Alice F. Ruger
565 14th Street NE
Salem, OR 97301

STATE OF OREGON,
County of _____
I certify that the within instrument was received for the record on the _____ day of _____ at _____ o'clock _____ M., and recorded in book/reel/volume No. _____ on page _____ and/or as fee/file/instrument/microfilm/reception No. _____
Record of Deeds of said County.
Witness my hand and seal of County _____
affixed: _____
NAME TITLE
BY: _____ Deputy

APC: 01045533

CONTRACT - REAL ESTATE

THIS CONTRACT, Made this 9th day of November, 1996, between John A. Ruger and Alice F. Ruger, hereinafter called the sellers, and Edward A. Miranda, and Bernadette A. Miranda, hereinafter called the buyer.

WITNESSETH: That in consideration of the mutual covenants and agreements herein contained, the sellers agree to sell unto the buyer and the buyer agrees to purchase from the sellers all of the following described lands and premises situated in Klamath County, State of Oregon, to-wit:

Parcel #33 PINE-CONE ADDITION: Starting from the NW corner NE1/4SW1/4, Section 3, T.36 S., R. 6 E., E.W.M.; thence S 89°50' E, a distance of 569.39 feet; thence South, a distance of 298.09 feet to an iron pin, the point of beginning; thence S 4°15'11" W, a distance of 75.38 feet to an iron pin; thence S 59°52'05" E, a distance of 104.48 feet to an iron pin; thence northerly, on the westerly side of the county road, along a curve left having a radius of 543 feet, a distance of 90 feet to an iron pin; thence N 69°26'53" 543 feet, a distance of 131.65 feet more or less to the point of beginning.

SEE ATTACHED EXHIBIT "A" for correct legal description.
for the sum of FOUR THOUSAND FIVE HUNDRED DOLLARS (\$4,500.00), hereinafter called the purchase price, on account of which one thousand Dollars (\$1,000.00) is paid on the execution hereof (the receipt of which is hereby acknowledged by the sellers), and the remainder to be paid to the order of the sellers at the times and in the amounts as follows, to-wit:

Minimum payment of \$50.00 per month for 106 months.

All of the purchase price maybe paid at any time; all of the deferred payments shall bear interest at the rate of ten (10%) percent per annum from November 11, 1996 until paid; interest to be paid monthly and to be included in the minimum regular payments above required. Taxes for the premises for 1997 tax year to be paid by the sellers.

At the time of the execution hereof, the sellers herein (who are husband and wife) own the described real estate as tenants by the entirety; wherefore, the sellers intend and declare that their interest in this contract and in the unpaid purchase price of the described real estate henceforth shall be that of joint tenants with the right of survivorship and not that of tenants in common, in the event of the death of one of the sellers, the title to the seller's interest in this contract and in and to the then unpaid balance of the purchase price, principal and interest, immediately shall vest solely in the survivor of the sellers.

The buyer shall be entitled to possession of the lands on November 11, 1996, and may retain such possession so long as buyer is not in default under the terms of this contract. The buyer agrees that all times the buyer will keep the premises and the buildings, now or hereinafter erected thereon, in good condition and repair and will not suffer or permit any waste or strip thereof; that buyers will keep the premises free from construction and all other liens and save the sellers harmless therefrom and reimburse sellers for all costs and attorney fees incurred by them in defending against any such liens; that the buyer will pay all taxes hereafter levied against the property as well as all water rents, public charges and municipal liens which hereinafter lawfully may be imposed upon the premises, all promptly before the same or any part thereof become past due; that the buyer's expense, buyer will insure and keep insured all buildings now or hereinafter erected on the premises against loss or damage by fire (with extended coverage) in the amount of not less than the assessed real market value of the structures in a company or companies satisfactory to the sellers, specifically naming the sellers as an additional insured, with loss payable to the sellers and then to the buyers as their respective interests may appear and all policies of insurance to be delivered to the sellers as soon as insured. Now if the buyer shall fail to pay any such liens, costs, water rents, taxes or charges, the sellers may do so and any payment so made shall be added to and become part of the debt secured by this contract and shall bear interest at the rate aforesaid, without waiver, however, of any right arising to the sellers for buyer's breach of contract.

WARNING: Unless buyer provides sellers with evidence of insurance coverage's required by the contract or loan agreement between them, sellers may purchase insurance at buyer's expense to protect seller's interest. This insurance may, but need not, also protect buyers interest. If the collateral becomes damaged, the coverage purchased by sellers may not pay any claim made by or against buyers. Buyer may later cancel the coverage by providing evidence that the buyer obtained property coverage elsewhere. Buyer is responsible for the cost of any insurance coverage purchased by sellers, which cost may be added to buyer's contract or loan balance. If it is so added, the interest rate of the underlying contract or loan will apply to it. The effective date of coverage may be the date buyer's prior coverage lapsed or the date buyer failed to provide proof of coverage. The coverage sellers purchase may be considerably more expensive than insurance buyers might otherwise obtain alone and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable laws.

The sellers agree that at their expense and within 90 days from the date hereof, they will furnish unto buyer title insurance policy insuring (in an amount equal to the purchase price) marketable title in and to the premises in the sellers on or subsequent to the date of this agreement, save except the usual printed exceptions and the building and other restrictions and easements now of record, if any. Sellers also agree that when the purchase price is fully paid and upon surrender of this agreement, they will deliver a good and sufficient deed conveying the premises in fee simple unto the buyer, buyer's heirs and assigns, free and clear of encumbrances as of the date hereof and free and clear of all encumbrances since the date placed, permitted or arising by, through or under sellers, excepting, however, the easements, restrictions and the taxes, municipal liens, water rents, and public charges so assumed by the buyer and further excepting all liens and encumbrances created by the buyer or buyer's assigns.

And it is understood and agreed between the parties that time is of the essence of this contract, and in case the buyer shall fail to make the payments above required, or any part of them punctually within 20 days of the time limit therefor, or fail to keep any agreement herein contained, then the sellers shall have the following rights and options:

- (1) To declare this contract canceled for default and null and void, and to declare the purchaser's rights forfeited and the debt extinguished, and to retain the sums previously paid hereunder by the buyer, as long as sellers comply with ORS 93.905 et seq. prior to exercising this remedy;
- (2) To declare the whole unpaid principle balance of the purchase price with the interest thereon at once due and payable; and/or;
- (3) To foreclose this contract by suit in equity.

In any of such cases, all rights and interest created or then existing in favor of the buyer as against the sellers hereunder shall utterly cease and the right to the possession of the premises above described and all other rights acquired by the buyer hereunder shall revert to and revest in the sellers without any act of re-entry, or any other act of the sellers to be performed and without any right of the buyer or return, reclamation or compensation for moneys paid on account of the purchase of the property as absolutely, fully and perfectly as if this contract and such payments have never been made; and in case of such default all payments theretofore made on this contract are to be retained by and belong to the sellers as the agreed and reasonable rent of the premises up to the time of such default. And the sellers, in case of such default, shall have the right immediately, or at any time thereafter, to enter upon the land aforesaid, without any process of law, and take immediate possession thereof, together with all the improvements and appurtenances thereon or thereto belonging.

The buyer further agree that failure by the sellers at any time to require performance by the buyer of any provision hereof shall in no way affect sellers' right hereunder to enforce the same, nor shall any waiver by the sellers of any 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.

Sellers, seller's agents, and the holder of any existing encumbrance to which the lands and premises are subject may enter upon the lands and premises at reasonable times (upon reasonable prior notice to buyer) for the purpose of inspecting the property.

In case suit or action is instituted to foreclose this contract or to enforce any provision hereof, the losing party in the suit or action agrees to pay such sum as the trial court may adjudge reasonable as attorney fees to be allowed the prevailing party in the suit or action and if an appeal is taken from any judgment or decree of the trial court, the losing party further promises to pay such sum as the appellate court shall adjudge reasonable as the prevailing party's attorney fees on such appeal.

In construing this contract, it is understood that the buyer may be more than one person or a corporation; that if the context so requires, the singular pronoun shall be taken to mean and include the plural 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, not only the immediate parties hereto but their respective heirs, executors, administrators, personal representatives, successors in interest and assigns as well.

IN WITNESS WHEREOF, the parties have executed this instrument in duplicate; if either of the undersigned is a corporation, it has caused its name to be signed and its seal, if any, affixed by an officer or other person duly authorized to do so by order of its board of directors.

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 AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930

John A. Ruger
SELLER

Alia Z. Ruger
SELLER

Edward A. Miranda
BUYER

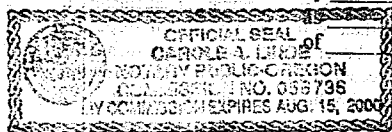
Bernadette A. Miranda
BUYER

STATE OF OREGON, County of KLAMATH ss.

This instrument was acknowledged before me on JANUARY 10, 1997

by EDWARD A. MIRANDA, SEB BERNADETTE A. MIRANDA

This instrument was acknowledged before me on 19



Charles A. Linder
Notary Public for Oregon
My commission expires 8-15-2000

State of Oregon

County of manion

ss. * For Sellers only

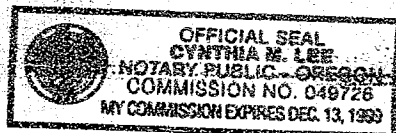
On this 13 day of November, in the year 1996, before me, Cynthia M. Lee, Notary Public, personally appeared John Ruger and Alia Z. Ruger personally known to me (or proved to me on the basis of satisfactory evidence) to be the person () whose name () is (are) subscribed to this instrument, and acknowledged that he (she) (they) executed it.

WITNESS my hand and official seal.

(SEAL)

Cynthia M. Lee
Notary's Signature

My Commission Expires: 12/13/99



A tract of land situated in the NE 1/4 NW 1/4 of Section 3, Township 36 South, Range 6 East of the Willamette Meridian, in the County of Klamath, State of Oregon, and described as follows:

Starting from the Northwest corner NE 1/4 SW 1/4, Section 3, Township 36 South, Range 6 East of the Willamette Meridian; thence South 89 degrees 50' East a distance of 596.39 feet; thence South a distance of 298.09 feet to an iron pin, the point of beginning; thence South 4 degrees 15' 11" West a distance of 75.38 feet to an iron pin; thence South 59 degrees 57' 05" East a distance of 104.48 feet to an iron pin; thence Northerly on the Westerly side of the County Road along a curve left having a radius of 543 feet, a distance of 90 feet to an iron pin; thence North 69 degrees 26' 53" West a distance of 131.65 feet, more or less, to the point of beginning.

CODE 8 MAP 3606-3CA TL 500

STATE OF OREGON : COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 13th day
of January A.D., 19 97 at 11:56 o'clock A M., and duly recorded in Vol. M97
of Deeds on Page 948

FEE \$40.00

Bernetha G. Letsch, County Clerk

by S. Letts