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MTL 1396-3855

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CONTRACT / PROMISSORY NOTE

State of Oregon, County of Klamath
Recorded 05/13/2002 11:12 A.m.
Vol M02, Pg 28481-83
Linda Smith, County Clerk
Fee \$ 31.00 # of Pgs 3

Principal amount \$ 15,000.00

Date: April 12, 2002

FOR VALUE RECEIVED, the undersigned hereby jointly and severally promise to pay to the order of Greg Lara the sum of Fifteen Thousand Dollars (\$15000), together with interest thereon at the rate of 10% per annum on the unpaid balance. Said sum shall be paid in the manner following: Upon closure of sale of property located at 2451 Biehn St. Klamath Falls, Oregon 97601 to Michael and Laura Limb, Monthly Payments will be made on the 15th of each month. The first 11 payments will be in the amount of \$144.75, and the 12th payment in the amount of \$14,773.43 (See Attachment A). Upon failure of sale of 2451 Biehn St. Klamath Falls, Oregon 97601 to Michael and Laura Limb, the entire amount of \$15000 will be due and payable immediately.

All payments shall be first applied to interest and the balance to principal. This note may be prepaid, at any time, in whole or in part, without penalty.

This note shall at the option of any holder thereof be immediately due and payable upon the occurrence of any of the following: 1) Failure to make any payment due hereunder within 60 days of its due date. 2) Breach of any condition of any security interest, mortgage, loan agreement, pledge agreement or guarantee granted as collateral security for this note. 3) Breach of any condition of any loan agreement, security agreement or mortgage, if any, having a priority over any loan agreement, security agreement or mortgage on collateral granted, in whole or in part, as collateral security for this note. 4) Upon the death, incapacity, dissolution or liquidation of any of the undersigned, or any endorser, guarantor to surety hereto. 5) Upon the filing by any of the undersigned of an assignment for the benefit of creditors, bankruptcy or other form of insolvency or by suffering an involuntary petition in bankruptcy or receivership not vacated within thirty (30) days.

In the event this note shall be in default and placed for collection, then the undersigned agree to pay all reasonable attorney fees and costs of collection. Payments not made within five (5) days of due date shall be subject to a late charge of 5% of said payment. All payments hereunder shall be made to such address as may from time to time be designated by any holder. To protect lender, I give what is known as a security interest or mortgage in: 2451 Biehn St. Klamath Falls, Oregon 97601, or that portion thereof required to satisfy this agreement.

The undersigned agree to remain fully bound until this note shall be fully paid and waive demand, presentment and protest and all notices hereto and further agree to remain bound, notwithstanding any extension, modification, waiver, or other indulgence or discharge or release of any obligor hereunder or exchange, substitution, or release of any collateral granted as security for this note. No modification or indulgence by any holder hereof shall be binding unless in writing; and any indulgence on any one occasion shall not be an indulgence for any other or future occasion. Any modification or change in terms, hereunder granted by any holder hereof, shall be valid and binding upon each of the undersigned, notwithstanding the acknowledgement of any of the undersigned, and each of the undersigned does hereby irrevocably grant to each of the others a power of

AMERITITLE has recorded this
Instrument by request as an accommodation only,
and has not examined it for regularity and sufficiency
or as to its effect upon the title to any real property
that may be described therein

**Legal Description
Attachment A**

Offers subject to adequate financing or financing suitable to the buyer.

The following offers are mutually contingent, and will be accepted all or none:

Offer 1. Lakeview Addition to the City of Klamath Falls, Block 45 lot 12, commonly known as 2451 Biehn Street Units 1 through 4.

Offer 2. Lakeview Addition to the City of Klamath Falls, Block 45 lot 12, commonly known as 2451 Biehn Street Units 5 and 6.

Offer 3. Lakeview Addition to the City of Klamath Falls, Block 45 lot 12, commonly known as 2451 Biehn Street Units 7 and 8.

attorney to enter into any such modification on their behalf. The rights of any holder hereof shall be cumulative and not necessarily successive.

This note shall take effect as a sealed instrument and shall be construed, governed and enforced in accordance with the laws of the State of Oregon.

Greg A. Smith Jr.
Lender
Michelle J. Scott
Borrower
Greg A. Smith Jr.
Borrower

STATE OF OREGON, County of Klamath

This instrument was acknowledged before me on 4-15, 2002

Michelle J. Scott
Notary Public for Oregon

My commission expires 2-27-05

