

MEMORANDUM OF CONTRACT OF SALE

DATED: May 25, 2006

BETWEEN: Frank E. Barnes ("Seller")

AND: Michael B. Carry ("Purchaser")

Pursuant to an Agreement to Sell Real Estate dated this same date, 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. The true and actual consideration for this conveyance is \$20,000.

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: 22830 Aspen Street, Klamath Falls, OR 97601

Property Tax Account No. E-3606-014CD-04500-00

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

Seller:

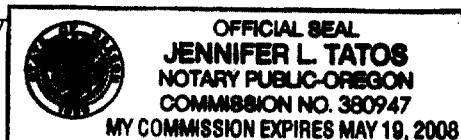
Frank E. Barnes

Purchaser:

Michael B. Carry

[NOTE: ATTACH AGREEMENT]

Acknowledgment in an Individual Capacity



State of OREGON

County of JACKSON

This instrument was acknowledged before me on May 25, 2006 by Frank E. Barnes & Michael B. Carry

Jennifer L. Tatos
Notary Public - State of Oregon



pt. of due copy

No CA

Exhibit A

AGREEMENT TO SELL REAL ESTATE

Frank E. Barnes of 1025 Ellendale, Apt. 208, Medford, Oregon, 97504, as **Seller**, and **Michael B. Carry**, of 400-1/2 Conger Avenue, Klamath Falls, OR 97601, as **Buyer**, hereby agree that the Seller shall sell and the Buyer shall buy the following described property UPON THE TERMS AND CONDITIONS HEREINAFTER SET FORTH, within this contract.

1. **LEGAL DESCRIPTION** of real estate located in Klamath County, State of Oregon:
Odessa Summer Home Sites, Lots 136 & 137 – R317197, 107186 MFD on Real Property.
2. **PURCHASE PRICE** Twenty thousand dollars (**\$20,000**).
Method of Payment: One hundred dollars (**\$100**) cash down on signing of agreement and one hundred dollars (**\$100**) a month beginning **June 1, 2006**, until paid in full.
Approximate principal balance of first mortgage to which conveyance shall be subject, if any: **\$19,900**.
 - (a) Mortgage holder: **Frank Barnes**.
 - (b) Other: **Interest 6% per annum**.
 - (c) Cash, certified or local cashier's check on closing and deliver of deed (or such greater or lesser amount as may be necessary to complete payment of purchase price after credits, adjustments and prorations).
 - (d) There shall be no prepayment penalty; and any additional amount to the monthly payment of \$100 paid by Buyer shall be credited to the principal amount owed, rather than to the interest over the term of this agreement.
3. **PRORATIONS:** Taxes, insurance, interest, rents and other expenses and revenue of said property shall be prorated as of the date of closing.
4. **RESTRICTIONS, EASEMENTS, LIMITATIONS:** Buyer shall take title subject to: (a) Zoning, restrictions, prohibitions and requirements imposed by governmental authority. (b) Restrictions and matters appearing on the plat or common to the subdivision, (c) Public utility easements of record, provided said easements are located on the side or rear lines of the property, (d) Taxes for year of closing, assumed mortgages, and purchase money mortgages, if any. (e) Other: **TAXES AND INSURANCE FOR TRAILER TO BE PAID TO FRANK BARNES EACH YEAR. WELL TO BE SHARED BY BOTH TRAILERS.**
Seller warrants that there shall be no violations of building or zoning codes at the time of closing.
5. **DEFAULT BY BUYER:** If Buyer fails to perform any of the covenants of this contract, all money paid pursuant to this contract by Buyer as aforesaid shall be retained by or for the account of the Seller as consideration for the execution of this contract and as agreed liquidated damages and in full settlement of any claims for damage
6. **DEFAULT BY SELLER:** If the Seller fails to perform any of the covenants of this contract, the aforesaid money paid by the Buyer, at the option of the Buyer, shall be returned to the Buyer on demand, or the Buyer shall have only the right of specific performance.

Seller:

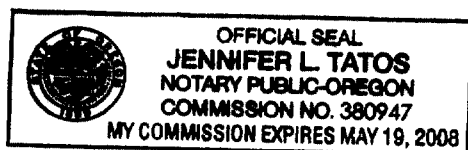
Frank E. Barnes
Frank E. Barnes

Purchaser:

Michael B. Carry
Michael B. Carry

STATE OF OREGON)
) ss.
County of JACKSON)

Personally appeared the above-named **Frank E. Barnes** and **Michael B. Carry**, who acknowledged the foregoing instrument to be their voluntary act and deed on May 25, 2006.



J. L. Tatos
Notary Public for Oregon
My commission expires: May 19, 2008