

MEMORANDUM OF CONTRACT OF SALE

THIS MEMORANDUM, made this 26 day of June, 2006, by and between Verson Pandian and Jill Pandian, Trustees, or their successors in trust, under the V & J Pandian Living Trust dated November 13, 1998, as vendors, and Steven K. Aerni and Nancy K. Aerni, husband and wife, as purchasers, for recording purposes, acknowledge that a contract for the sale of real property, dated the **26th** day of June, 2006, was entered into wherein the total consideration is the sum of \$28,000.00 payable in installments as therein stated. The interest conveyed to the purchasers is equitable title in the following described real property, to wit:

A tract of land situated in Lots 1 and 2, Block 2, BREWERS RANCHOS, 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 initial point of the survey of Brewer's Ranchos according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, which point is the quarter section corner between Sections 7 and 18, Township 24 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon; thence North 58°13'37" East a distance of 79.36 feet to the true point of beginning of this description; thence North 80°38'03" West a distance of 217.46 feet to a point on the arc of a 50 foot radius curve having a central angle of 161°39'23" thence along the arc of said curve to the left a distance of 33.46 feet to a point on the Westerly line of Lot 2 in Block 2 of said Brewers Ranchos; thence North 18°35'22" East along the Westerly line of said Lot 2 and Lot 1 of said Block 2 a distance of 94.24 feet to a point; thence South 57°47'22" East a distance of 260.83 feet to a point; thence South 58°13'37" West a distance of 12.84 feet to the true point of beginning.

SUBJECT TO:

1. Restrictions shown on the recorded plat/partition of Brewers Ranchos, as follows: "Subject to the following restrictions: (1) a 20 foot building set-back line along the front of all lots and all lots abutting on State Highway 58. (2) No access from highway other than the streets as shown on the annexed plat. (3) a 16-foot public utilities easement along all back and side lot lines except where the lines are common to two lots, an eight-foot easement is dedicated on each lot, (4) a 10-foot pedestrian easement along the easterly bank of Crescent Creek, along the line between Lots 2 & 3, Block 3, and along that portion of the subdivision boundary abutting the parcel of land shown and identified as "not a part of this subdivision" on the annexed plat, for the use of the owners of the lots in Brewers Ranchos, their guests and tenants; any additional restrictions as provided in recorded protective covenants and reservations of record."

AFTER RECORDING RETURN TO:**Santiam Escrow Inc./Collection Services****P.O. Box 515****Stayton, OR 97383**

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2. Easement, including terms and provisions contained therein:
Recording information: M-67 page 3804, Deed records of Klamath County, Oregon
In favor of: Midstate Electric Cooperative, Inc., a cooperative corporation
For: Transmission line

FURTHER SUBJECT TO a Co-Tenancy Agreement in which George B. Rex and Melissa R. Rex own a one-quarter interest; Larry Bielenberg and Vicki Bielenberg own a one-quarter interest; Tony Nova and Laura Nova own a one-quarter interest; and Verson Pandian and Jill Pandian, Trustees, or their successors in trust, under the V & J Pandian Living Trust, dated November 13, 1998, own a one-quarter interest, which such Pandian one-quarter interest is the one-quarter interest being transferred to the purchasers hereby.

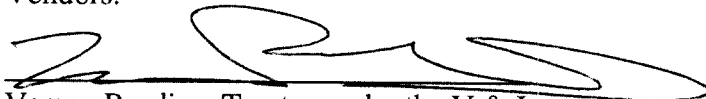
ALSO SUBJECT TO all encumbrances placed or suffered to be placed against the subject property by or through the purchasers after execution of this Memorandum of Contract.

And said contract is in full force and effect between the vendors and the purchasers herein.

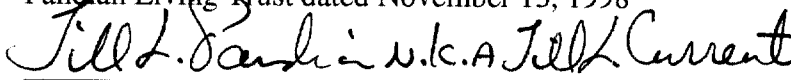
BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER CHAPTER 1, OREGON LAWS 2005 (BALLOT MEASURE 37 (2004)). THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND 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 AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER CHAPTER 1, OREGON LAWS 2005 (BALLOT MEASURE 37 (2004)).

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this 26 day of June, 2006.

Vendors:



Verson Pandian, Trustee under the V & J
Pandian Living Trust dated November 13, 1998

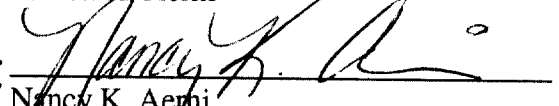


Jill Pandian, Trustee Under the V & J
Pandian Living Trust dated November 13, 1998

Purchasers:

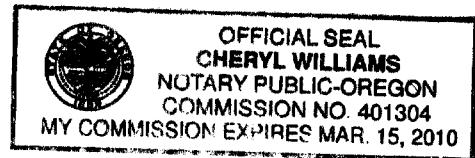


Steven K. Aerni



Nancy K. Aerni

STATE OF OREGON, County of Deschutes) ss.



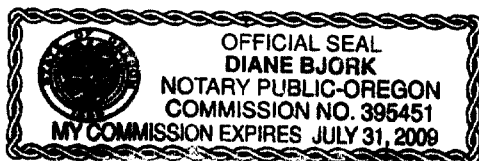
On the 3rd day of July, 2006, personally appeared before me the above-named Verson Pandian, Trustee under the V & J Pandian Living Trust, and acknowledged the foregoing instrument to be his voluntary act and deed.

Cheryl Williams
Notary Public for Oregon

STATE OF OREGON, County of Deschutes ss.

On the 29th day of June, 2006, personally appeared before me the above-named ~~Verson Pandian, Trustee~~ under the V & J Pandian Living Trust, and acknowledged the foregoing instrument to be her voluntary act and deed.

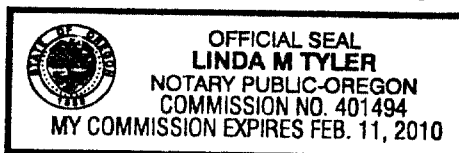
* Jill Current, Trustee



[Signature]
Notary Public for Oregon

STATE OF OREGON, County of Linn) ss.

On the 26 day of June, 2006, personally appeared before me the above-named Steven K. Aerni and acknowledged the foregoing instrument to be his voluntary act and deed.



[Signature]
Notary Public for Oregon

STATE OF OREGON, County of Linn) ss.

On the 26 day of June, 2006, personally appeared before me the above-named Nancy K. Aerni, ~~husband and wife~~ and acknowledged the foregoing instrument to be her voluntary act and deed.



[Signature]
Notary Public for Oregon