

SALES AGREEMENT

THIS AGREEMENT, made and entered into this 28 day of December, 1998, by and between:

MARY ALICE BURTON,

Hereinafter called Seller, which terms includes the heirs, successors, personal representatives and assigns of said person and

JULIE F. MENGUCCI-FOSTER,

hereinafter called Purchaser, which terms includes the heirs, successors and personal representatives of said person.

WITNESSETH:

That the Seller, for and in consideration of the covenants and promises herein stated to be kept and performed by the Purchaser, has agreed to sell and convey to the Purchaser, and the Purchaser has agreed to purchase and to pay to the Seller, the sums of money hereinafter stated for the following-described real property:

Beginning at a point which is 14.28 chains West and 6.971 chains South 0°10' West from the Southeast corner of the E.F. Hosford Donation Land Claim in Township 7 South, Range 3 West of the Willamette Meridian in Polk County, Oregon, and running thence East 9.088 chains to the center of the Salem-Lincoln County Road; thence North 37°37' West, along the center of said county road, 2.937 chains; thence West 7.285 chains; thence South 0°10' West 2.323 chains to the place of beginning.

SAVE AND EXCEPT: Beginning at an iron pipe which is 942.48 feet West and 460.09 feet South 0°10' West from the Southeast corner of the E. S. Hosford Donation Land Claim in Township 7 South, Range 3 West of the Willamette Meridian Polk County, Oregon; and running thence 340 feet East to an iron pipe; thence North 0°10' East 123.32 feet to an iron pipe; thence East 164.78 feet to the center of the County Road; thence North 37°37' West 38.15 feet; thence 480.81 feet West to an iron pipe which is North 0°10' East from the place of beginning; thence South 0°10' West 153.32 feet to the place of beginning.

The whole purchase price of the property which the Purchaser is to pay to the Seller is the sum of SIXTY-TWO THOUSAND and NO/100 DOLLARS (\$62,000.00), which shall be paid as follows:

\$5,000.00 in cash, receipt of which is hereby acknowledged by the Seller.

The balance of \$57,000, as hereinafter set forth shall be payable:

\$ 500.00 on or before the 15th day of February, 1999; and

\$ 500.00 on or before the 15th day of each and every month thereafter, until the entire remaining balance of the purchase price as hereinafter set forth, has been fully paid.

The Seller has paid taxes on the above-described real property for the tax year 1997-98 and all prior tax years, and the Seller agrees to pay the taxes for the 1999 tax year, and all taxes and assessments thereafter, when due and before delinquent, and to furnish proof of payment thereof annually to the Purchaser during the term of this agreement.

The fire insurance policies on the within-described real property shall be furnished by the Purchaser hereto as of January 1, 1999, and thereafter, the Purchaser agrees to keep the buildings upon said land insured at all times during the term of this agreement in the amount of the full insurable value thereof, in a company or companies satisfactory to the parties, and payable to the parties hereto, as their interests may appear, with priority of payment to the Seller. Said policy or policies of fire insurance shall contain a "standard" loss payable clause in which the Seller shall be deemed to be the mortgagee, the original copy of said policy or policies of fire insurance to be held by said Seller, and which policy or policies shall included extended coverage. Sums paid by an insurance carrier to compensate for loss of fire and similar casualty will be first applied on the repair or reconstruction of any damaged or destroyed improvements, with the balance, if any, to be applied on the unpaid principal balance of the obligation herein expressed.

The Purchaser shall have possession of said real property on or before January 1, 1999, and shall thereafter maintain said property in good condition and repair, and shall make no improper use of said property, or any part thereof, and shall permit no lien to be made or filed against said property, or any part thereof, or permit waste until the whole purchase price has fully been paid. Seller shall pay all taxes and assessments which may be lawfully levied or assessed against said property before the same shall become delinquent; and if the Seller shall fail to pay any taxes or charges, or any lien or encumbrance as herein provided for, Purchaser may, at her option, do so, and any payment so made shall be deducted from and reduce part of the principal purchase price, without waiver, however, of any right arising to the Purchaser for breach of covenant.

Within ten (10) days of the date hereof, the Seller will secure a Purchaser's Title Insurance Policy in the amount of \$62,000, insuring the Purchaser as to the title of the Seller, insuring the Purchaser as to the title of the Seller, as herein represented, and on final payment of the sums herein provided, said policy shall be accepted in lieu of any further or other evidence of the title of the Seller. When the said whole purchase price has

been paid fully paid to the Seller by the Purchaser, then the said Seller shall convey said real property to the Purchaser by Warranty Deed, in fee simple, free and clear of all liens and encumbrances whatsoever, except as herein stated, and except such liens and encumbrances as may have been suffered or permitted by the Purchaser on and after the execution of this agreement.

This agreement is personal to the Purchaser, and said Purchaser shall not sell, assign, transfer or set over any of her right, title and interest in and to said property or this agreement with the prior written consent of the Seller. The consent required hereby will not be unreasonably withheld by the Seller.

All improvements placed upon the subject property shall remain and shall not be removed before final payment be made for said property.

This document is the entire, final and complete agreement of the parties pertaining to the sale and purchase of the within-described property, and supersedes and replaces all written and oral agreements heretofore made or existing and between the parties of their representatives insofar as within-described property is concerned.

In the event the Purchaser shall fail to perform any of the terms of this agreement, time of payment and performance being of the essence, Seller shall, at her option, subject to the requirement of notice as herein provided, have the following rights (no one of which shall be waived by exercise of another);

- (a) To foreclose this agreement by strict foreclosure in equity;
- (b) To declare the full unpaid balance of the purchase price immediately due and payable;
- (c) To specifically enforce the terms of this agreement by suit in equity;
- (d) To declare this agreement to be null and void after notice pursuant to ORS 93.905 to 93.945 to Purchaser in writing of Seller's intention to do so, unless the performance then due under this agreement is tendered or accomplished prior to the time stated. Upon the maturing of such declaration, all of Purchaser's rights under this agreement shall cease without further act by Seller, Seller shall be entitled to immediate possession of the property, and all payments previously made to Seller by Purchaser may be retained by Seller as reasonable rent for the property up to the time of default;
- (e) To bring an action for the unpaid and overdue payments without waiving the security of the property, it being agreed that Purchaser's promise to pay the purchase price, except the final payment, is independent of Seller's agreement to convey title; and
- (f) To have a receiver appointed to manage the property and collect the rents, issues and profits and apply them on the unpaid balance of the agreement without regard

to the value of the security. The Purchaser specifically agrees that the Seller is qualified to act as such a receiver.

Purchaser shall not be deemed in default for failing to perform any covenant or condition of this agreement other than making payment until notice of said default has been given by Seller to Purchaser, and Purchaser shall have failed to remedy said default within ten (10) days after the giving of the notice. Notice for this purpose shall be deemed to have been given by the deposit in the mail of a certified letter containing such notice and addressed to Purchaser at the address herein described. If Purchaser shall fail to make payments and said failure shall continue for more than ten (10) days after the payment becomes due, Purchaser shall be deemed in default, and Seller shall not be obligated to give notice to Purchaser of a declaration of said default. For purposes of this agreement, the mailing address for Seller is: 2203 Lakeside Avenue, Coeur d'Alene, ID 83814 and for the Purchaser is: 404 Antler Drive, Castle Hills, TX 78213.

If any suit or action is commenced to enforce any of the rights, terms or provisions expressed in this agreement, the party not prevailing agrees to pay to the prevailing party a reasonable attorney's fee for services rendered to the prevailing party in any trial or appellate court in which such suit or action is heard, plus the costs and disbursements awarded therein, and the reasonable expenses of an examination of the public records to assist in determining who should be made parties to such suit or action.

The Purchaser agrees that failure by the Seller at any time to require performance by the Purchaser of any provisions hereof shall in no way affect Seller's right hereunder to enforce the same, nor shall any waiver by said Seller of any breach of any provision hereof be held to be a waiver of any succeeding breach of the same or any other provision of this agreement.

Until a change is requested, all tax statements shall be sent to the following address: Mary Alice Burton
c/o 2203 E. Lakeside Avenue
Coeur d'Alene, ID 83814

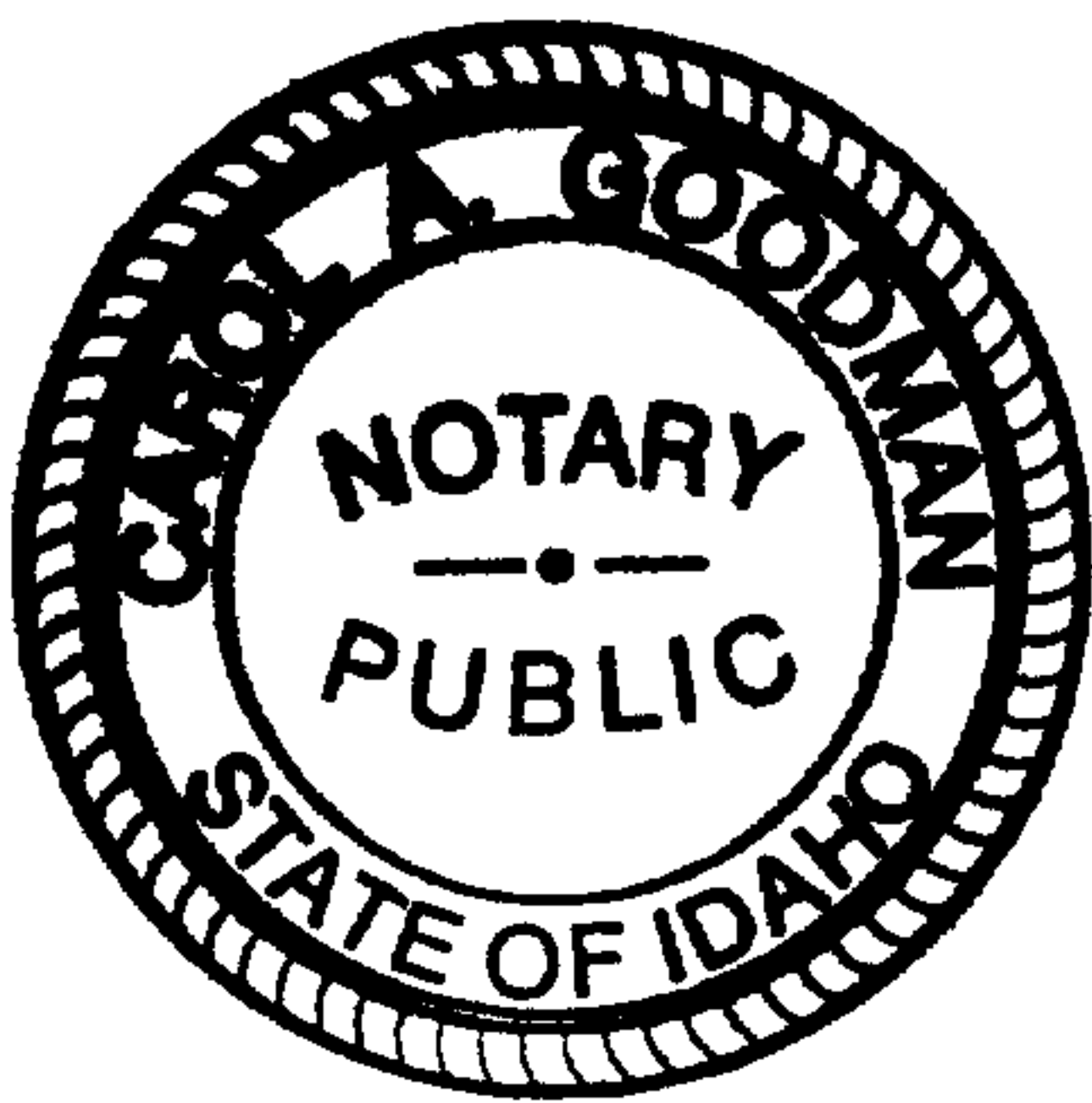
IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first hereinabove written.

Mary Alice Burton
By: *Renaye M. Rowe, P.O. A.*
Mary Alice Burton
SELLER

Julie F. Mengucci-Foster
Julie Mengucci-Foster
PURCHASER

STATE OF IdahoCOUNTY OF Kootenai

On this 28th day of December, 1998, before me, Carol A Goodman,
a Notary Public in and for said State, personally appeared Benage M Rowe,
known or identified to me to be the person whose name is subscribed to the within
instrument as the Attorney in Fact of Mary Alice Huston and acknowledged
to me that Mary Alice Huston subscribed the name of
Benage M Rowe thereto as principal, and own name as Attorney in Fact.

Carol A GoodmanResiding at: HarrisonCommission Exp: May 23, 2003

~~Notary Public for Idaho~~
~~My Commission Expires:~~

A circular notary seal for Patrick R. Vozza, a Notary Public in the State of Texas. The seal features a five-pointed star in the center. The text "PATRICK R. VOZZA" is arched across the top, "NOTARY PUBLIC" is arched below it, and "STATE OF TEXAS" is arched above the bottom date. The date "06-01-2002" is at the bottom, with the word "EXPIRES" just above it. The entire seal is enclosed in a double-lined circular border.

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