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THIS CONTRACT, Made this 58 H ALTON A. SHORT and GRACE SHORT, as tenants by the entirety

and MICHAEL R. PETERSON and PEGGY LOU PETERSON, as tenants by

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

A parcel of land situate in the E's of Section 13, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, and being more particularly described

Beginning at the quarter corner common to Sections 13 and 24, Township 39 South, Range 9 East of the Willamette Meridian; thence North along the North South center section line 30.0 feet to the true point of beginning; thence continuing North along the North South center section line 4190.0 feet to the intersection with the Southerly right of way line of the U.S.B.R. intersection with the Southerly right of way line of the U.S.B.R. A-Canal; thence Southeasterly along the Southerly right of way line of said canal to a point that is 1130.0 feet East of the West line of the Et of Section 13; thence South parallel to the North South center section line 2830.0 feet to the intersection of the North right of way line of the County road (Airway Drive); thence went along the North right of way line 1130.0 feet to the point West along the North right of way line 1130.0 feet to the point

EXCEPTING THEREFROM that portion lying South of the Northerly boundary of the proposed South Side ByPass.

ALSO EXCEPTING THEREFROM a parcel of land situate in the El of Section 13, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, and being more particularly described as follows:

Beginning at the quarter corner common to Sections 13 and 24, Township 39 South, Range 9 East of the Willamette Meridian; thence North along the North South center section line 30.0 feet to the true point of beginning; thence continuing North along the North South center section line 4190.0 feet to the intersection with the Southerly right of way line of the U.S.B.R. A-Canal; thence Southeasterly along the Southerly right of way line of said canal to its intersection with the centerline of a drain ditch, some 620 feet East of the West line of the Ek of said Section 13; thence in a generally Southerly direction along said canal centerline to its intersection with the centerline of a second drain ditch; thence in a generally Southeasterly direction along the centerline of the second drain ditch, to a point that is some 565 feet East of the West line of the Et of said Section 13; thence due South to a point 30 feet North of the South line of said Section 13; thence West 503 feet, more or less, to the point of beginning.

EXCEPTING THEREFROM that portion lying South of the Northerly boundary of the proposed South Side By-Pass.

AND ALSO EXCEPTING those portions lying within the canal right of

SELLERS hereby agree to subordinate their interest in the following parcel of the above described property for the purpose of the Purchasers obtaining financing for construction of a dwelling on said parcel:

Approximately five (5) acres, more or less, lying north of the proposed South Side Bypass and bordered on the north by the existing drainage

8522 BUYERS are to be entitled to use the existing roads on SELLERS' property for access until completion of the proposed South Side Bypass, at which time Buyers shall have full rights of ingress and egress from any new roads created by said bypass on Sellers' property.

for the sum of FIFTY-SIX THOUSAND SEVEN HUNDRED & NO/100-Dollars (\$.56,700.00 (hereinafter called the purchase price) on account of which FIFTEEN THOUSAND AND NO/100--______Dollars (\$ 15,000.00) is paid on the execution hereof (the receipt of which hereby is acknowledged by the seller), and the remainder to be paid at the times and in amounts as follows, to-wit:

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Interest due only;
January 1,
January 1,
            1979:
            1980:
                        $4,000.00, including interest and principal
January 1, 1981:
                        $4,000.00,
                                                                   11
                                                           *1
January 1, 1982:
                                        11
                                                   11
                        $4,000.00,
                                                                   **
January 1,
                        $4,000.00,
            1983:
January 1, 1984:
                        $4,000.00,
January 1,
            1985:
                        $4,000.00,
                                                                   **
January 1, 1986:
                        $4,000.00,
January 1, 1987:
                        $4,000.00,
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January 1, 1988: \$4,000.00, " " " " " January 1, 1989: \$4,000.00, " " " " " " " " " " January 1, 1989: Full balance due, interest and principal.

All of said purchase price may be paid at any time; all deferred balances shall bear interest at the rate of Eight (8) per cent per annum from APRIL , 1978 until paid, interest to be paid See above and* in addition to being included in the minimum regular payments above required. Taxes on said premises for the current tax year shall be provided between the parties hereto as of XXX XXX 5/1/78.

the easements, building and other restrictions now of record, if any, and......

and has placed said deed, together with an executed copy of this contract and the title insurance policy mentioned above, in escrow with Klamath First Fed. Sav. & Loan Assoc. escrow agent, with instructions to deliver said deed, together with the fire and title insurance policies, to the order of the buyer his heirs and assigns, upon the payment of the purchase price and full compliance by the buyer with the terms of this agreement. The buyer agrees to pay the balance of said purchase price and the respective installments thereof, promptly at the times provided therefor, to the said escrow agent for the use and benefit of the seller. The excrow fee of the escrow agent shall be paid by the seller and buyer in equal shares; the collection charges of said agent shall be paid

by the Seller

And it is understood and agreed between said parties that time in of the essence of this contract, and in case the buyer shall fail to make the payments above required, or any of them, punctually within 20 days of the time limited therefor, or fail to keep any agreement herein contained, then the seller at his option shall have the following rights: (1) to declare this contract, nutled and oid, (2) to declare the whole unpaid principal balance of said purchase price with the interest thereon at once due and payable. (3) to withdraw aid deed and other documents from extrow and fur (4) to foreclose this contract by suit in equily, and in any of such cases, all tights and interest created or then existing in favor of the buyer against the seller hereunder shall utterly case and determine and till tight to the possession of the premises above described and all other rights acquired by the buyer hereunder shall reverted acreates in said office the possession of the premises above described and all other rights and without any right of the buyer and the seller hereunder shall reverted acreates in said office the possession of the premises above described and all other rights and without any right of the buyer therefore made on the parties of the seller hereunder shall reverte to be preformed and without any provision the seller here to be proformed and without any and the provision that the forecast and such described and seller as the agreed and reasonable rent of said premises up to the time of such default. And the said seller in case of such default, shall have the right immediately, or at an other land allocated, shall have the right immediately, or any other land and some therefore made on this and seller in case of such default. And the said seller in case of such default, shall have the right immediately, or any other land allocated and such default, shall have the right immediately, or at any other sellers, to enter upon the land aloressial, without any process of law, and take immediate posse

IN WITNESS WHEREOF, said parties have executed this instrument in triplicate; if either of the undersigned is a corporation, it has caused its corporate name to be signed and its corporate seal affixed hereto

by its officers duly authorized there so by order of its board of directors.

Seggy Sou Peterson

Land achteret

**SIMPORTANT NOTICE: Delete, by lining out, whichever phrase and whichever warranty (A) or (3) is not applicable. It warranty (A) is applicable and if the sailer is a creditor, as such word is defined in the Treth-in-lending Act and Regulation 2, the seller MUST camply with the Act and Regulation by making required disclassives; for this surpees, use Stevens-Ness Form No. 1300 or similar unless the contract will become a first lien to finance the purchase of a dwalling in which event use Stevens-Ness Form No. 1300 or similar.

NOTE: The sentence between the sym-hule (1), if not applicable, should be delived; see Oregon Revised Statutes, Aestion 93.030. (Naturial acknowledg-ment on reverse).

RECEIVED PAYMENTS ON WITHIN CONTRACT. AS FOLLOWS: DATE INSURANCE OR TAXES INTEREST PAID TO PRINCIPAL DATE INSURANCE INTEREST INTEREST PRINCIPAL MICHAEL R. and PEGGY L. PEIERSON; 28.11 Kane Streat ALION A. and GRACE SHORI. 6827 Airway Drive. Address Klamath Falls, Ore. certify that the within instru-M78 on page 8521 or STRVENS-NESS LAW PUB. CO., PORTLAND, ORE, Address Klamath Falls, ment was received for record at 3:37 o'clock P. M., and ord of Deeds of said County. Witness my hand an County of Klamath filing fee number 47160 STATE OF OREGON 28thday of ... April. Wm. D. Milne County affixed. book. STATE OF OREGON, County of Klamath APRIL 38 , 19 Parsonally appeared A. SHORT and GRACE SHORT, 40 who, being duly gworn, each for himself and not one for the other, did say that the former is the tenants by the entirety and acknowledged the loregoing instru-... president and that the latter is the their Becretary of voluntary act and deed. Before me and that the seal attixed to the foregoing instrument is the corporation, of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed. (SEAL) No. 127 Publid for Dregon Mr. communication explicas: 4-5-87 Notary Public for Oregon (SEAL) My commission expires: