

T/A 38-14680-S

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Vol. 178 Page 8524

THIS AGREEMENT, Made and entered into this 28th day of APRIL, 1978,
by and between ALTON A. SHORT and GRACE SHORT, as tenants by the entirety,

hereinafter referred to as first party (whether singular or plural), and MICHAEL R. PETERSON and PEGGY LOU PETERSON,
as tenants by the entirety,

hereinafter known as second party (whether singular or plural),

WITNESSETH: In consideration of the covenants herein contained to be kept by second party, first party does hereby lease, demise and let unto the said second party the following described premises, to-wit:

A parcel of land situate in the E $\frac{1}{2}$ 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 E $\frac{1}{2}$ 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 E $\frac{1}{2}$ 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 Bypass.

EXCEPTING THEREFROM those portions lying within the canal right of ways.

known as -----

To Have and to Hold the same unto the second party for the term beginning the 28th day of APRIL, 1978, and extending to and including the 31st day of May, 1979.

The second party for themselves their heirs, executors, administrators and/or its successors and assigns, does hereby covenant to and with the first party their heirs, executors, administrators and/or its successors and assigns, to pay as rental for said premises, for said term, the sum of one-half of the annual crops raised on above premises by second party Dollars; the said rental shall be paid as follows: when appropriate.

~~XXXXXX~~ On the execution of this agreement receipt whereof is hereby acknowledged, and

Second party agrees to farm said property in a good and normal manner and to provide all labor and material necessary at their expense for said period and First Party agrees to provide irrigation water as normally supplied.

said payments to be made to and at the place designated by the first party.

The second party expressly agrees: To make no unlawful or offensive use of said premises; that waste thereof will not be suffered nor permitted; that no alterations or additions to or upon said premises will be made or suffered, nor this lease or option hereinafter granted, assigned, nor said premises sublet, nor may any other persons occupy said premises, unless the written consent of the first party is first had and obtained. Said second party further agrees to promptly pay the rental installments as hereinabove provided as the same become due; that at the expiration of this lease or at the termination thereof second party will quit and deliver up the premises to the first party, peaceably and quietly and in as good order and condition as the same now are (reasonable use and wear thereof, fire and other unavoidable casualties excepted).

Second party agrees to comply with the ordinances and laws of the City and of the State in which said property may be located, relating to the use and occupancy of said premises, and to keep sidewalks surrounding said premises free of snow and ice and other obstructions in accordance therewith; and further agrees to pay all charges for water, gas and electric lights used on said premises as the same become due and to make all necessary repairs to the buildings on said premises during the term of this lease at the sole cost and expense of said second party.

Party of the second part agrees to pay the taxes becoming due and payable in the year N/A, and any and all assessments, both principal and interest, on account of City, County and District liens now assessed or levied, and hereafter assessed or levied against said premises, payment on which have accrued during the term of this lease.

N/A the rental installments, hereinabove mentioned, to be made by second party, should be in arrears for a period of N/A days, or if the second party shall neglect or fail to do or perform any of the covenants herein contained, then and in the event of any of said cases, the first party may immediately, or at any time thereafter while said default continues, enter upon said premises or any part thereof and repossess the same and expel second party and those claiming under second party and remove said second party's effects, forcibly if necessary without being taken or deemed guilty in any manner of trespass and without prejudice to any other remedies which might otherwise be used for arrears of rent, and all payments theretofore made by second party under this agreement, and all additions and improvements by second party made to and upon said real property, shall be retained and belong to first party as liquidated damages.

In the event of such arrearage, neglect or failure, the second party hereby expressly waives the service of any notice of intention to terminate this lease or to repossess said premises, and further waives any demand for payment of rent or for possession, or of any and every notice or demand prescribed by any law of the State of Oregon, and agrees that the simple breach by the second party of any of the covenants herein shall of itself constitute a wrongful detainer of said premises by the second party within the meaning of the statutes of the State of Oregon covering forcible entry and detainer.

As a further consideration of the covenants herein contained to be kept by second party and the payments to be made by said second party for and on account of the above lease, the said first party does hereby give and grant unto the second party, the sole, exclusive and irrevocable right and privilege of purchasing the real property hereinabove described, subject to and upon the terms and conditions as set forth in the form of purchase agreement hereto attached at and for the agreed price of \$1,500.00 per acre for 2.22 acres, or \$3,300.00 Dollars to be paid in the manner and form as stated in said agreement.

If the second party elects to exercise the option herein granted, said second party shall so notify first party of their intent to so exercise said option in writing on or before April 1, 1979, with terms of the total purchase price being paid at the time of closing the sale, or such other terms as may be agreeable to by both parties.

Upon the second party exercising the option herein granted to purchase, first party agrees to furnish within ten (10) days thereafter a title insurance policy or an abstract of title, continued to date, at option of first party, showing marketable title to the above described premises in first party subject to building restrictions, zoning ordinances, if any, and any liens or incumbrances against said premises to be assumed by second party. Said second party shall have a reasonable time to examine said abstract or title insurance and shall return the same together with a written report of any objections to said title to said first party and said first party may have such time as may be necessary to clear such objections.

Time is hereby declared to be the essence of this agreement and in the event the second party shall fail or neglect to make the payments or any of them as herein provided for or shall fail to strictly and literally perform any of the covenants or conditions herein contained, then all payments theretofore made by second party to the first party shall be considered as rent and shall be retained and belong to the first party herein and the option herein granted to second party shall thereupon become null and void without any notice of termination or act by first party.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals in duplicate at Klamath Falls, Oregon, the day and year first hereinabove written.

Executed in the presence of:

Alton A. Short (SEAL)
Grace T. Short (SEAL)
Michael R. Peterson (SEAL)
Peggy Lou Peterson (SEAL)

STATE OF OREGON,

County of Klamath

ss.

FORM NO. 23 — ACKNOWLEDGMENT
 STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

BE IT REMEMBERED, That on this 28th day of April, 1978, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Alton A. Short and Grace Short and Michael R. Peterson and Peggy Lou Peterson

known to me to be the identical individual S described in and who executed the within instrument and acknowledged to me that their executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

[Signature]
 Notary Public for Oregon
 My Commission expires 4-5-82

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Transamerica Title Co.
 on 28th day of April, A. D. 1978 at 3:37 clock P.M. and
 duly recorded in Vol. M78 of Deeds on Page 8524

Wm D. MILNE, County Clerk
 By [Signature]

Fee \$6.00

Return
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