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1 AGREEMENT, made this 19th day of April 1966, by LOWER
2 KLAMATH SEED COMPANY, hereinafter called Seller, and BUTTE VALLEY
3 FARMS (a California corporation), hereinafter called Buyer.

4 WITNESSETH:

5 That Seller agrees to sell and Buyer agrees to buy the 1966
6 potato crop grown by Seller on the real property in Klamath County,
7 Oregon, Described as follows, to-wit:

8 East 70 Acres, of the SE- $\frac{1}{4}$ of Section #31, Twp. 40 S.R.
9 9EWM. 54 Acres, of the S.W. $\frac{1}{4}$ of Section #32, Twp. 40
10 S.R. 9EWM. 71 Acres, of the NW $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section #29
11 Range 9 EWM. 160 Acres E $\frac{1}{2}$ of E $\frac{1}{2}$ of Section #32 Twp. 40
12 S.R. 9 EWM. 80 Acres E. $\frac{1}{2}$ of S.W. $\frac{1}{4}$ of Section 28, Twp.
13 40, S.R. 9 EWM.
14 All located in Klamath County.
15 Total Acreage 435 (rented acres).

16 on the following terms and conditions.

17 Buyer has heretofore delivered to Seller sufficient founda-
18 tion seed to plant 350 acres and Seller has accepted said seed
19 potatoes.

20 Seller covenants and agrees that he will properly plant said
21 acres of said seed potatoes; that he will properly treat said seed
22 before planting same to prevent infection and disease; that he
23 will care for, irrigate, cultivate, and will rogue and dust the
24 same as needed to the best of his ability, and that he will harvest
25 said potato crop and enter the same for certification with the
26 State of Oregon, it being the intent of the parties hereto that
27 said potatoes are to be raised for seed potatoes, and he will
28 deliver said potato crop to Buyer F.O.B. cars in sacks on the dates
29 ordered by Buyer, at nearest loading point to Seller's storage,
30 provided, however, that buyer must take delivery of all potatoes
31 purchased, as hereinafter provided, by February 1, 1967. Sacks
32 shall be furnished or paid for by Buyer.

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1 Buyer covenants and agrees to pay for all Grade A seed
2 potatoes (two inches to 1 1/2 oz. top) which pass certification as
3 follows, based on the established F.O.B. Klamath Basin seed price
4 market from November 1, 1966 to February 1, 1967.

5 If said market price is 2.60 dollars or less per 100 lb.
6 for No. 1 seed, the price shall be 1.70 dollars per 100 lb.

7 If said market price is 2.86 dollars to 3.16 dollars inclu-
8 sive, the price shall be 1.80 dollars per 100 lb.

9 If said market price is 3.11 dollars or over, the price shall
10 be 1.85 dollars per 100 lb.

11 In consideration of the foregoing Seller does hereby give and
12 grant to Buyer the sole and exclusive option to purchase all the
13 U.S. No. 1 A graded oversize (over 1 1/2 oz. top) at and for a price
14 based on said established seed price market from November 1, 1966,
15 to February 1, 1967, as follows:

16 If said market price is \$2.00 or less for No. 2 seed, the
17 option price shall be 1.45 dollars per 100.

18 If said market price is \$2.36 to \$2.60 inclusive, the option
19 price shall be 1.55 dollars per 100.

20 If said market price is \$2.61 or over, the option price
21 shall be \$1.60 per 100 lb.

22 And Seller, in consideration of the foregoing, does further hereby
23 give and grant Buyer the sole and exclusive option to purchase
24 all of the U.S. No. 1 graded seed pack, 1 1/2 inches to 2 inches,
25 at and for the same price as above set forth for the U.S. No. 1 A
26 graded seed potatoes. Buyer may exercise either or both of said
27 options by February 1, 1967, and if it does not so exercise said
28 options on or before said date, Seller shall be free to sell the
29 pack or packs not so optioned, subject, however, to the term
30 hereinafter mentioned. If buyer shall exercise its option to
31 purchase either the second or third pack as above set forth, the
32 pack so purchased shall be delivered to buyer F.O.B. cars in sacks
ordered by Buyer at the nearest loading point to Seller's storage,
provided, however, that buyer must take delivery of all potatoes
purchased by February 1, 1967. Sacks shall be furnished or paid

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1 for by buyer. Buyer may, at its discretion, advance to or on behalf
2 of seller from time to time hereinafter money necessary to bring
3 to harvest said crop, and said advances, shall be secured by a
4 first lien on all of the potatoe crop planted and/or harvested
5 by seller, and seller covenants and agrees to execute and deliver
6 to buyeto buyer his chattel mortgage on said crop in principle
7 sum of \$130,000.00 to secure said advances.

8 Buyer shall pay one-half of the estimated price as determined
9 by bin measurement through State and Federal inspection as soon
10 as the potatoe crop has been harvested and stored in seller's
11 storage. Buyer shall make the final payment not later than 15
12 days after the last of said potatoes have been loaded on cars.
13 The buyer may deduct any part or all of its advances from any of
14 said payment.

15 Risk of loss shall be on seller until the potatoes are de-
16 livered on board cars as ordered by buyer on or prior to
17 February 1, 1967; IN WITNESS WHEREOF, the parties have hereunto
18 set their hands the day and year herein written.

19 Terry L. Cheyne
Terry L. Cheyne, Seller
20 L.D. Cheyne Jr.
L.D. Cheyne Jr., Seller
21 L.B. Cheyne Sr.
L.B. Cheyne Sr., Seller
22 Sandra A. Cheyne
Sandra A. Cheyne, Seller
23 Betty B. Cheyne
Betty B. Cheyne, Seller
24

BUTTE VALLEY FARMS, INC.
BY: [Signature]
President, Buyer

25 August 22, 1966 personally appeared the above named L. D. Cheyne, Sr. and
26 L. D. Cheyne, Jr. and acknowledged the forgoing instrument to be a
voluntary act before me.

60
27 [Signature]
Notary Public for Oregon

28 My commission expires May 8, 1970
29
30
31
32

STATE OF OREGON, } ss
County of Klamath }

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Filed for record at request of:

Putte Valley Farms
on this 22 1 August A. D. 1966
at 4 20 P M. and duly
recorded in Vol. 466 of Books

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DOUGLAS H. GUNS, County Clerk

Fee \$6.00
By Dolow-Lavis Deputy