

MEMORANDUM OF LEASE
AND PURCHASE OPTION

MTC-21109L

KNOW ALL MEN BY THESE PRESENTS that on May 5th, 1989,
RICHARD D. HOYT and JUDY A. HOYT, husband and wife, as Lessor,
 and DUANE F. MARTIN and MARLENE J. MARTIN, husband and wife, as Lessee,

made and entered into a certain LEASE, OPTION TO PURCHASE, wherein
 Lessor agreed to let to said Lessee and the latter agreed to lease
 from said Lessor that certain real property located in Klamath County,
 State of Oregon, legally described on "Exhibit A" attached hereto
 and incorporated by reference herein.

The original of said document is in the possession of MOUNTAIN TITLE
 COMPANY, 222 South Sixth Street, Klamath Falls, Oregon 97601, with
 copies in the possession of each of the parties. Reference to said
 original and copies is specifically hereby made.

IN WITNESS WHEREOF, the said Lessor and Lessee have executed this
 Memorandum this 5th day of May, 1989.

Richard D. Hoyt
 Richard D. Hoyt

Judy A. Hoyt
 Judy A. Hoyt

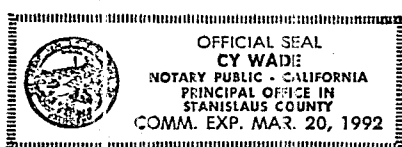
Duane F. Martin
 Duane F. Martin

Marlene J. Martin
 Marlene J. Martin

STATE OF California
 County of Stanislaus) SS

DATE: May 5, 1989

Personally appeared the above-named Richard D. Hoyt and
Judy A. Hoyt and acknowledged the foregoing
 instrument to be their voluntary act and deed.

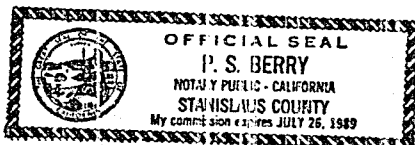


Cy Wade
 NOTARY PUBLIC FOR
 My Commission Expires: _____

STATE OF California
 County of Stanislaus) SS

DATE: May 5, 1989

Personally appeared the above-named Duane F. Martin and
Marlene J. Martin and acknowledged the
 foregoing instrument to be their voluntary act and deed.



P. S. Berry
 NOTARY PUBLIC FOR SAID STATE OF CALIF.
 My Commission Expires: July 26, 1989

MEMORANDUM OF LEASE AND PURCHASE OPTION

Return:
 MTC

Duane F. Martin
8710 E. Collier Rd
Acampo, Calif. 95220

89 MAY 9 PM 12 35

PARCEL 1

In Township 36 South, Range 11 East of the Willamette Meridian, in the County of Klamath, State of Oregon:

SECTION 8: All of Section EXCEPT that part lying North of Sprague River and

SECTION 9: All of South 1/2 EXCEPT that part lying North of the Sprague River and

SECTION 10: All of Lots 19 through 32, inclusive EXCEPT that part lying North of the Sprague River and

SECTION 11: Lots 29, 20, 21 and 28

SECTION 17: Lots 1 to 16 both inclusive and

SECTION 16: Lots 1 to 16 both inclusive, Lots 19 to 22 both inclusive, and Lots 27 to 30, both inclusive

SECTION 15: The West 1/2 of Lot 4, all of Lots 19 to 22 both inclusive

EXCEPTING THEREFROM those portions conveyed to the Oregon-California Eastern Railway Company in deed dated June 11, 1928 and recorded June 11, 1928 in Volume 80 in page 458, and also in deed dated May 20, 1927 and recorded May 21, 1927 in Volume 75, in Page 474 Deed records of Klamath County, Oregon.

ALSO EXCEPTING THEREFROM a portion conveyed to Klamath County for road purposes by deed dated November 24, 1928 and recorded April 23, 1929 in Volume 85 in page 613, Deed Records of Klamath County, Oregon.

Tax Account No: 3611 00000 00600
3611 003A0 06600
3611 0008B 06500
3611 009C0 00800
3611 009D0 00600
3611 010C0 00500
3611 010D0 00100 (covers other property)
3611 010D0 00700
3611 00000 01000
3611 00000 00900
3611 01700 00100
3611 01700 00200
3611 01600 00100
3611 01600 00200 (covers other property)
3611 00000 02600
3611 00000 02800 (portion)

PARCEL 2

Lots 27 to 30, inclusive of Section 15, Township 36 South, Range 11 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

EXCEPTING THEREFROM that portion conveyed to the Oregon-California Eastern Railway Company in deed dated May 20, 1927 and recorded May 21, 1927 in Volume 75 in page 474, Deed records of Klamath County, Oregon.

Tax Account No: 3611 00000 02800
(portion of parcel 1 & portion of parcel 2)

PARCEL 3

All Lots 17, 18, 23, 24, 25, 26, 31 and 32, Section 7, Township 36 South, Range 11 East of the Willamette Meridian, in the County of Klamath, State of Oregon; Lots 1 to 16 (both numbers inclusive) in Section 18, Township 36 South, Range 11 East of the Willamette Meridian; Lots 19, 20 and 22, lying Northeasterly of the Northeasterly right of way line of the Sprague River Highway in Section 18, Township 36 South, Range 11 East of the Willamette Meridian.

EXCEPTING that portion deeded to Oregon California & Eastern Railway Company for right of way by deed recorded in Book 80 at page 432 and Book 90 at page 474, Deed Records of Klamath County, Oregon.

AND ALSO EXCEPTING THEREFROM a strip of land 60 feet wide conveyed to Klamath County for road purposes by deed dated November 26, 1928, recorded April 23, 1929 in Book 85 at page 617, Deed Records of Klamath County, Oregon. PARCEL 4

A permanent easement: for a 50 foot road right of way across the East side of the SW1/4 of Section 17, Township 36 South, Range 11 East of the Willamette Meridian as contained in instrument recorded November 10, 1958 in Book 306, page 151.

Tax Account No: 3611 00000 00500
3611 01800 00100
3611 01800 00300

SUBJECT TO contracts and/or liens for irrigation and/or drainage, * the schedule of exclusions from coverage, together with any schedules contained in standard title policies,* reservations, easements, restrictions and rights of way of record and those apparent on the land, including but not limited to those certain exceptions set forth in Mountain Title Company of Klamath County Policy No. 21109-L.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING AND 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.

TOGETHER WITH: A certain 1989 REDMAN Mobile Home bearing VIN No. 11813451, Oregon License No. X-20253, including furniture and fixtures therein, which said mobile home is firmly affixed to the property hereinabove described.

TOGETHER WITH: A certain 1982 GUERDON Mobile Home bearing Serial No. 10204, Oregon License No. _____, including furniture and fixtures therein, which said mobile home is firmly affixed to the property hereinabove described.

TOGETHER WITH: A certain 1969 FLEETWOOD Mobile Home, Serial No. 4-B9F1S8931, Oregon License No. X-154130, including furniture and fixtures therein, which said mobile home is firmly affixed to the property hereinabove described.

TOGETHER WITH: Those certain irrigation pumps, more particularly described as follows:

| | | | |
|-----|------------------|--------------|--------|
| # 1 | NEWMAN | # S1279007 | 40 HP |
| # 2 | MARATHON | # 1175538 | 50 HP |
| # 3 | FARBANKS-MORSE | # F93019 | 30 HP |
| # 4 | ELECTIRON | # M133782 | 15 HP |
| # 5 | LANE-BALER | # D02534 | 15 HP |
| # 6 | GENERAL ELECTRIC | # 5K6276XC3B | 100 HP |
| # 7 | HOLLOSHAFT | # 2877931 | 30 HP |
| # 8 | JOHNSON (PUMP) | # JP3878 | 30 HP |

which said irrigation pumps are firmly affixed to the real property hereinabove described.

TOGETHER WITH: All additional irrigation pumps, electric motors, component parts, irrigation equipment, head gates and other installed components in the irrigation system, together with all future attachments, accessories, replacements, parts, equipment, additions and all proceeds thereof, all of which said items are presently affixed to the real property described hereinabove.

EXHIBIT "A"

ALSO SUBJECT TO: A certain mortgage, including the terms and provisions thereof:

DATED: July 6, 1987

RECORDED: July 31, 1987

VOLUME: M-87, page 13729, Records of Klamath County, Oregon

MORTGAGOR: Hoyt and Son Ranches, an Oregon general partnership association

MORTGAGEE: Bank of America, a National Trust and Savings Association, a National Banking Association

which such mortgage Lessee does not assume, but which is to be paid by Lessor from the proceeds and payments of the within Lease- Option to Purchase.

EXHIBIT "A"

7854

ALSO SUBJECT TO: A certain mortgage, including the terms and provisions thereof:

DATED: July 6, 1987

RECORDED: July 31, 1987

VOLUME: M-87, page 13729, Records of Klamath County, Oregon

MORTGAGOR: Hoyt and Son Ranches, an Oregon general partnership association

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which such mortgage Lessee does not assume, but which is to be paid by Lessor from the proceeds and payments of the within Lease- Option to Purchase.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co.
of May A.D., 19 89 at 12:35 o'clock PM., and duly recorded in Vol. M89,
of Deeds on Page 7850.

FEE \$28.00

Evelyn Biehn, County Clerk

By Pauline M. Muelken