

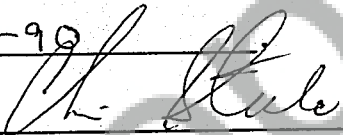
RECORDING REQUESTED BY:
James O. Demsey, Esq.
THOMAS, SNELL, JAMISON, RUSSELL
AND ASPERGER
P. O. Box 1461
Fresno, CA 93716

WHEN RECORDED RETURN TO:
James O. Demsey, Esq.
THOMAS, SNELL, JAMISON, RUSSELL
AND ASPERGER
P. O. Box 1461
Fresno, CA 93716

MEMORANDUM OF OPTION AGREEMENT

CHRISTOPHER R. STEELE, as Trustee of THE CHRIS AND SHARON STEELE 1986 IRREVOCABLE TRUST, ("Grantor") grants to ELWORTHY & SON, a California general partnership composed of Herbert Elworthy and Bert Elworthy ("Grantee"), the exclusive option to purchase the real property described in Exhibit "A" attached, upon the terms and conditions set forth in the unrecorded written Option To Purchase Agreement dated September 20, 1990, between Grantor and Grantee, to which Option To Purchase Agreement reference is made for further particulars.

DATED: 12-27-90


Christopher R. Steele, as Trustee
of The Chris And Sharon Steele
1986 Irrevocable Trust

GRANTOR

ELWORTHY & SON, a California
general partnership

By: 
Herbert Elworthy

By: 
Bert Elworthy

GRANTEE

91 FEB 27 AM 11 20



STATE OF CALIFORNIA)
COUNTY OF Sacramento) ss.

On this 27th day of December, 1990,
before me, the undersigned, a Notary Public in and for the
State of California, personally appeared CHRISTOPHER R.
STEELE, personally known to me (or proved to me on the basis
of satisfactory evidence) to be the person who executed the
within instrument as Trustee of The Chris And Sharon Steele
1986 Irrevocable Trust, and acknowledged that he executed the
same.

IN WITNESS WHEREOF, I have hereunto set my hand and
affixed my official seal the day and year in this Certificate
first above written.

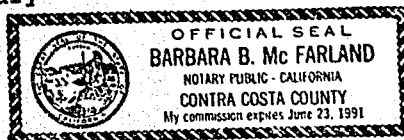
Marilyn S. Berry
Notary Public in and for said State

STATE OF CALIFORNIA)
COUNTY OF Contra Costa) ss.

On this 4th day of February, 1991,
before me, the undersigned, a Notary Public in and for the
State of California, personally appeared HERBERT ELWORTHY and
BERT ELWORTHY, personally known to me (or proved to me on the
basis of satisfactory evidence) to be the persons who exe-
cuted the within instrument on behalf of ELWORTHY & SON, the
partnership that executed the within instrument, and acknowl-
edged to me that such partnership executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and
affixed my official seal the day and year in this Certificate
first above written.

Barbara B. McFarland
Notary Public in and for said State



LEGAL DESCRIPTION
KLAMATH STRAITS RANCH
LOT 1

A TRACT OF LAND SITUATED IN T40S R8E, T41S R8E AND TROS R93, W.M., KLAMATH COUNTY, OREGON CONSISTING OF THE VARIOUS ALIQUOT PARTS OF THE SECTIONS LISTED AS FOLLOWS:

SECTION IN T40S R8E

SECTION 23 and 24: ALL THOSE PORTIONS OF SECTIONS 23 AND 24 LYING EASTERLY OF HIGHWAY NO. 97 AND SOUTHERLY OF THE CENTERLINE OF KLAMATH STRAITS AS PRESENTLY LOCATED AND CONSTRUCTED.

EXCEPTING THEREFROM:

A PIECE OF PARCEL OF LAND LYING IN A STRIP 100.0 FEET IN WIDTH IMMEDIATELY ADJACENT ON THE SOUTHEASTERLY SIDE OF THE ORIGINAL CANAL RIGHT OF WAY OF THE KLAMATH DRAINAGE DISTRICT OVER AND ACROSS THE SE 1/4 SW 1/4 OF SECTION 23, AND THE NE 1/4 NW 1/4 AND THE FRACTIONAL NW 1/4 NW 1/4 OF SECTION 26, TOWNSHIP 40 SOUTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN, MORE OR LESS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT IN THE LINE MARKING THE NORTHERLY BOUNDARY OF THE SE 1/4 SW 1/4 OF SECTION 23, TOWNSHIP 40 SOUTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN, WHERE A LINE PARALLEL WITH AND 310.0 FEET DISTANT AT RIGHT ANGLES SOUTHEASTERLY FROM THE CENTERLINE OF THE SOUTHERN PACIFIC RAILROAD AS THE SAME IS NOW LOCATED AND CONSTRUCTED INTERSECTS THE SAME AND FROM WHICH POINT THE SECTION CORNER COMMON TO SECTIONS 22, 23, 26 AND 27, TOWNSHIP 40 SOUTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN, BEARS SOUTH 54 DEGREES 37' WEST, 2308.1 FEET DISTANT AND RUNNING THENCE SOUTH 16 DEGREES 57 1/2' WEST ALONG A LINE PARALLEL WITH AND 310.0 FEET DISTANT AT RIGHT ANGLES SOUTHEASTERLY FROM THE SAID CENTERLINE OF THE SOUTHERN PACIFIC RAILROAD AND WHICH SAID PARALLEL LINE IS THE SOUTHEASTERLY BOUNDARY OF THE RIGHT OF WAY OF THE KLAMATH DRAINAGE DISTRICT'S SOUTH CANAL, 2593.5 FEET, MORE OR LESS, TO A POINT IN THE NORTHERLY BOUNDARY OF THE RIGHT OF WAY OF THE SAID SOUTH CANAL OF THE KLAMATH DRAINAGE DISTRICT, WHICH IS LINE PARALLEL WITH AND 100.0 FEET DISTANT AT RIGHT ANGLES NORTHEASTERLY FROM THE CENTERLINE OF THE SAID CANAL AS THE SAME IS NOW LOCATED AND RUNNING THENCE SOUTH 75 DEGREES 34 1/2' EAST ALONG LAST MENTIONED BOUNDARY LINE 100.1 FEET, MORE OR LESS, TO ITS INTERSECTION WITH A LINE WHICH IS PARALLEL WITH AND 410.0 FEET DISTANT AT RIGHT ANGLES SOUTHEASTERLY FROM THE SAID CENTERLINE OF THE SOUTHERN PACIFIC RAILROAD, AND RUNNING THENCE NORTH 16 DEGREES 57 1/2' EAST, ALONG SAID LAST

EXHIBIT A

MENTIONED PARALLEL LINE, 2620.0 FEET, MORE OR LESS, TO ITS INTERSECTION WITH THE NORTHERLY BOUNDARY OF THE SE 1/4 SW 1/4 OF SECTION 23, TOWNSHIP 40 SOUTH, RANGE 8 EAST OF THE WILLIAMETTE MERIDIAN; THENCE SOUTH 89 DEGREES 48 1/2' WEST, ALONG LAST MENTIONED BOUNDARY LINE, 104.7 FEET, MORE OR LESS, TO THE SAID POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM:

A PARCEL OF LAND SITUATED IN THE N 1/2 NE 1/4 OF SECTION 23, T40S R8E, WHICH WAS CONVEYED TO THE UNITED STATES OF AMERICA IN DEED VOLUME M-76 AT PAGE 4718, RECORDS OF KLAMATH COUNTY, OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT POINT "D", SAID POINT BEING THE MOST WESTERLY POINT OF PARCEL 1, DESCRIBED IN ABOVE MENTIONED DEED VOLUME M-76 AT PAGE 4718, THENCE FROM SAID POINT OF BEGINNING N89 DEGREES 02' W, 142.2 FEET; THENCE N71 DEGREES 43' W, 1226.7 FEET TO A POINT IN THE EASTERLY RIGHT OF WAY BOUNDARY OF THE U.S. HIGHWAY NO. 97, SAID POINT BEING S69 DEGREES 53' E, 2942.6 FEET FROM THE NORTHWEST CORNER OF SECTION 23; THENCE ALONG SAID RIGHT OF WAY BOUNDARY N18 DEGREES 17' E, 150.0 FEET; THENCE LEAVING SAID BOUNDARY S72 DEGREES 06'E, 900.1 FEET; THENCE S36 DEGREES 56'E, 162.1 FEET; THENCE S68 DEGREES 03' E, 330.0 FEET TO THE POINT OF BEGINNING.

SECTION 25: ALL OF SECTION 25 EXCEPT THE SE 1/4 NW 1/4

SECTION 26: ALL OF SECTION 26 LYING EAST OF THE SOUTHERN PACIFIC RAILROAD RIGHT OF WAY EXCEPT THAT TRACT OF LAND CONVEYED TO KLAMATH COUNTY, OREGON BY DEED VOLUME 174 AT PAGE 121, DEED OF RECORDS OF KLAMATH COUNTY, OREGON.

SECTION 27: THAT PART OF THE SE 1/4 SE 1/4 LYING EAST OF THE EASTERLY RIGHT OF WAY LINE OF HIGHWAY NO. 97.

SECTION 34: LOT 5, LESS THE WEST 400 FEET THEREOF. ALSO LOTS 6, 7, 8, 9, 10, 11, 12, 13 AND 14.

SECTION 35: ALL OF SECTION 35.

SECTION 36: ALL OF SECTION 36.

SECTIONS IN T40S 49E:

SECTION 19: THAT PORTION OF THE WEST 1/2 OF SECTION 19, LYING SOUTHERLY AND WESTERLY OF THE KLAMATH STRAITS AS PRESENTLY LOCATED AND CONSTRUCTED.

SECTION 30: THE WEST 1/2 OF SECTION 30.

SECTION 31: THE WEST 1/2 OF SECTION 31.

SECTIONS IN T41S 48E:

SECTION 3: ALL OF SECTION 3 LYING EASTERLY OF HIGHWAY 97 RIGHT OF WAY AND WESTERLY OF THE CENTERLINE OF WEST CANAL, SAID CENTERLINE BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF SECTION 3 FROM WHICH THE SOUTHEAST CORNER OF SECTION 3 BEARS N89 DEGREES 40'01"E, 872.27 FEET; THENCE N36 DEGREES 04' W, 158.35 FEET; THENCE N44 DEGREES 47'W, 1411.69 FEET; THENCE N00 DEGREES 27' 26"W, 4147.48 FEET TO THE NORTH LINE OF SECTION 3.

EXCEPT LOT 4 OF SECTION 3.

SECTION 4: THAT PART OF THE SE 1/4 NE 1/4 LYING EAST OF THE RIGHT OF WAY OF HIGHWAY 97 AND; THAT PART OF LOT 1 LYING EAST OF THE RIGHT OF WAY OF HIGHWAY 97.

**LEGAL DESCRIPTION
KLAMATH STRAITS RANCH
LOT 2**

A TRACT OF LAND SITUATED IN T41S 48E, W.M., KLAMATH COUNTY, OREGON CONSISTING OF THE VARIOUS ALIQUOT PARTS OF THE SECTIONS LISTED AS FOLLOWS:

SECTION 1: THE WEST 1/2.

SECTION 2: ALL OF SECTION 2.

SECTION 3: ALL OF SECTION 3 LYING EASTERLY OF THE CENTERLINE OF WEST CANAL, SAID CENTERLINE BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF SECTION 3 FROM WHICH THE SOUTHEAST CORNER OF SECTION 3 BEARS N89 DEGREES 40' 01"E, 872.27 FEET; THENCE N36 DEGREES 04' W, 158.35 FEET; THENCE N44 DEGREES 47' W, 1411.69 FEET; THENCE N00 DEGREES 27' 26"W, 4147.48 FEET TO THE NORTH LINE OF SECTION 3.

SECTION 10: THE NE 1/4 NE 1/4.

SECTION 11: ALL OF SECTION 11 EXCEPT THE SW 1/4 SW 1/4.

SECTION 12: THE WEST 1/2.

SECTION 13: THE WEST 1/2.

SECTION 14: ALL OF SECTION 14 EXCEPT THE NW 1/4 N1 1/4.

STATE OF OREGON: COUNTY OF KLAMATH: SS:

Filed for record at request of _____ the 27th day
of Feb. A.D., 19 91 at 11:20 o'clock A.M., and duly recorded in Vol. M91,
of _____ Deeds on Page 3567.

FEE \$53.00

Evelyn Biehn, County Clerk

By Debra M. Muelandore