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When recorded mail to:

AMERICAN LAND CONSERVANCY
44 Montgomery Street
Suite 4165
San Francisco, CA 94104
Attn: Nancy C. Shanahan

MEMORANDUM OF OPTION

MTZ 28036

This is a memorandum of a certain Option Agreement dated October 12, 1992, between JOHN L. POUTOUS, SR., ARLETTE J. POUTOUS, ANTHONY ALAN POUTOUS and THE POUTOUS FAMILY PARTNERSHIP ("Seller") and the AMERICAN LAND CONSERVANCY, a nonprofit California public benefit corporation ("Buyer"). By said Option Agreement Seller has granted to Buyer an exclusive option to purchase that certain real property in Klamath County, Oregon, more particularly described on Exhibit A attached hereto and by this reference incorporated herein.

Said option extends from the date of the Option Agreement through and including December 31, 1992 at 5:00 p.m. Pacific Standard Time and automatically terminates at such time if not properly exercised prior thereto.

SELLER:

John L. Poutous Sr.
John L. Poutous, Sr.

Date: 10-16-92

Arlette J. Poutous
Arlette J. Poutous

Date: 10/21/92

Anthony Alan Poutous
Anthony Alan Poutous

Date: 10/21/92

THE POUTOUS FAMILY PARTNERSHIP

By: John L. Poutous Sr.
Date: _____

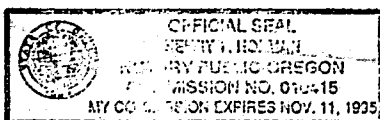
By: 10-16-92

Date: _____

ACKNOWLEDGEMENTS

State of OREGON)
) ss.
 County of KLAMATH)

On this 16th day of OCTOBER, 1992, before me
Henry T. Holman, the undersigned Notary Public, personally
 appeared JOHN L. POUTOUS, SR., personally known to me (or proved
 to me on the basis of satisfactory evidence) to be the person
 whose name is subscribed to this instrument, and acknowledged
 that he executed it.



Henry T. Holman

My commission expires 11-11-95

State of Calif.)
) ss.
 County of San Diego)

On this 1st day of October, 1992, before me
 the undersigned Notary Public, personally
 appeared ARLETTE J. POUTOUS, personally known to me (or proved to
 me on the basis of satisfactory evidence) to be the person whose
 name is subscribed to this instrument, and acknowledged that she
 executed it.



Betty L. Wright

My commission expires 8/16/93

State of Calif.)
) ss.
 County of San Diego)

On this 1st day of October, 1993, before me
 the undersigned Notary Public, personally
 appeared ANTHONY ALAN POUTOUS, personally known to me (or proved
 to me on the basis of satisfactory evidence) to be the person
 whose name is subscribed to this instrument, and acknowledged
 that he executed it.



Betty L. Wright

My commission expires 8/16/93

EXHIBIT A
LEGAL DESCRIPTION

TO OPTION AGREEMENT

PARCEL 1

A piece or parcel of land situated in Sections 11, 13, 14, 15, 16 21, 22, 23, 24, 25, 26 and 27, Township 34 South, Range 7 1/2 East of the Willamette Meridian, Klamath County, Oregon, and more particularly described as follows:

Beginning at a point at the intersection of the centerline of Seven Mile Canal as the same is now located and constructed, with the line of a division fence extended Southwesterly, from which point the Southeasterly corner of Section 1, Township 34 South, Range 6 East of the Willamette Meridian, Klamath County, Oregon, as established by Norman D. Price, U.S. Cadastral Engineer, between October 31, 1930 and June 22, 1931 bears North 54 degrees 19 1/2' West 16,670.3 feet distant, and running from said point of beginning South 41 degrees 02 1/2' East along the said centerline of the Seven Mile Canal, 12,811.0 feet, more or less, to a point in a line 150 feet distant at right angles Southerly from the center line of the old Lake Levee, as the same is now located and constructed; thence leaving said center line and following said parallel line North 50 degrees 28 1/2' East, 2,202.6 feet; thence North 88 degrees 32' East 1,158.1 feet; thence South 75 degrees 19' East 1,064.8 feet; thence South 45 degrees 41' East 588.3 feet; thence South 69 degrees 24' East 1,593.6 feet; thence South 84 degrees 17' East 203.5 feet; thence South 32 degrees 44' East 664.1 feet; thence South 61 degrees 23' East 251.2 feet; thence North 81 degrees 42' East 1,181.4 feet, more or less, to a point on the Westerly or right bank of Wood River; thence leaving said parallel line and running Northerly along the said Westerly bank of Wood River 19,000 feet, more or less, to a point at the intersection of said Westerly bank of Wood River, with the above mentioned division fence; thence South 61 degrees 40 1/2' West along said division fence 9,958 feet, more or less, to the said point of beginning.

PARCEL 2

A piece or parcel of land situated in the NW 1/4 of Section 31, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, lying East of Wood River and being more particularly described as follows:

Beginning at an iron pipe on the North line of Section 31, from which the brass cap monument marking the Northwest corner of said Section 31 bears North 88 degrees 51 3/4' West 789.8 feet distant and the brass cap monument marking the North Quarter Section corner of said Section 31 bears South 88 degrees 51 3/4' East 1,787.4 feet distant; thence South 38 degrees 23 3/4' East 548.6 feet to a point; thence along a 15 degrees 56 3/4' circular curve to the right (having a deflection angle of 55 degrees 26 1/2', a radius of 359.4 feet, and a long chord which bears South 10 degrees 40 1/2' East 334.3 feet) a distance of 347.6 feet; thence South 17 degrees 02 3/4' West 122.1

(CONTINUED)

LEGAL DESCRIPTION
(continued)

feet to a point; thence along an 18 degrees 52 3/4' circular curve to the left (having a deflection angle of 40 degrees 26 1/2' a radius of 303.5 feet, and a long chord which bears South 3 degrees 10 1/2' East 209.8 feet) a distance of 214.2 feet; thence South 23 degrees 23 3/4' East 419.5 feet to a point; thence South 14 degrees 07 1/4' East 498.7 feet to a point; thence South 2 degrees 39 1/4' East 682.9 feet to an iron pipe on the South line of the NW 1/4 of said Section 31; thence North 89 degrees 34 1/4' West along the South line of the NW 1/4 of Section 31, 1,488.1 feet to a point on the West boundary of said Section 31; thence North along the West boundary of said Section 31 2,640.0 feet to the brass cap monument marking the Northwest corner of said Section 31; thence South 88 degrees 51 3/4' East along the north boundary of Section 31, 789.8 feet, more or less, to the point of beginning.

ALSO a strip of land 90.0 feet in width along the Northerly side of the Southerly boundary of the NW 1/4 of Section 31 lying between the above-described parcel and the Westerly right of way line of Highway No. 422.

PARCEL 3

Lots 2, 3, 5 and 6, Section 36, Township 34 South, Range 7 1/2 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 4

That portion of the NE 1/4 of Section 31, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, lying East of the State of Highway No. 62 right of way.

TOGETHER WITH a perpetual right of way and easement 60 feet in width extending from the Easterly right of way line of State Highway No. 422 to the Westerly right of way line of State Highway No. 62, as the same are now located and constructed, the Southerly boundary of said right of way and easement being along the East West centerline (the one-half Section line) of Section 31, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title co. the 3rd day
of Nov. A.D., 19 92 at 2:43 o'clock P. M., and duly recorded in Vol. M92
of Deeds on Page 25956.

FEE \$25.00

Evelyn Biehn County Clerk

By Quentin Mueller