

LEASE OPTION AGREEMENT

EARL KENNETH ALLISON AND IRENE M. ALLISON, HUSBAND AND WIFE. "OWNERS", AND EARL KELLY ALLISON, "LEASEE" AGREE TO LEASE WITH AN OPTION TO BUY AT ANY TIME DURING THE LEASE, THAT CERTAIN RANCH LOCATED AT BEATTY, OREGON, AND LEGALLY DESCRIBED HEREIN BELOW, FOR \$155,000.00. THE LEASE WILL BE FOR TWO (2) YEARS PAYABLE AT \$6,000.00 PER YEAR WITH THE OPTION TO RENEW THE LEASE IF NEEDED.

RANCH DESCRIPTION:

TOWNSHIP 36, R12, Sec 22, E $\frac{1}{2}$ SW $\frac{1}{4}$ (80 acres);
 TOWNSHIP 36, R12, Sec 27, NW $\frac{1}{4}$ NE $\frac{1}{4}$ (40 acres);
 TOWNSHIP 36, R12, Sec 22, NW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ AND A
 PORTION SW $\frac{1}{4}$ NW $\frac{1}{4}$ SE OF HWY 140 (8.73 acres).
 TOTAL ACRES 128.73.

EARL KELLY ALLISON HAS LOANED EARL KENNETH ALLISON AND IRENE M. ALLISON \$50,000.00 FOR IMPROVEMENTS ON SAID RANCH. THIS \$50,000.00 WILL GO TOWARD THE PURCHASE PRICE OF RANCH AT THE TIME OPTION TO PURCHASE IS EXERCISED.

Earl Kenneth Allison
 EARL KENNETH ALLISON

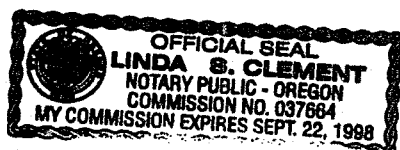
Irene M. Allison
 IRENE M. ALLISON

Earl Kelly Allison
 EARL KELLY ALLISON

STATE OF OREGON
 COUNTY OF KLAMATH

BE IT REMEMBERED THAT on this 1 day of Jan 1995, before me, the undersigned, a Notary Public in and for the State of Oregon, personally appeared the within named EARL KENNETH ALLISON, IRENE M. ALLISON, AND EARL KELLY ALLISON, known to me to be the identical individuals described in and who executed the within instrument and acknowledged to me that they 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.



Linda S. Clement
 Notary Public for Oregon
 Exp of Commission 9-22-98

AFTER RECORDING, RETURN TO
 E. KELLY ALLISON
 2007 CARLSON DRIVE
 KLAMATH FALLS, OR, 97603

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Earl Kelly Allison the 26th day
 of February A.D., 19 96 at 1:57 o'clock P. M., and duly recorded in Vol. M96
 of Deeds on Page 5130.

FEE \$10.00

Bernetha G. Letsch, County Clerk

By C. Russell