

'97 JUN -6 P3:22

**MEMORANDUM OF OPTION AGREEMENT
AND AGREEMENT OF PURCHASE AND SALE**

KNOW ALL MEN BY THESE PRESENTS, That Duwaine T. Matthews and Elsie Pearl Matthews, as Trustee of the Matthews Family Trust, uda June 18, 1990, Owner, for valuable consideration, have granted an Option to Hank Albertson and Barbara Albertson, husband and wife, as to an undivided one-half interest, and to Cathy King, as to an undivided one-half interest, Optionee, to purchase certain real property located in Klamath County and more particularly described on Exhibit A attached hereto and incorporated herein by this reference. The Agreement of the parties is memorialized in that certain Option Agreement and Agreement of Purchase and Sale dated June 6, 1997, to which reference is made for the terms and conditions thereof.

Dated this 6th day of June, 1997.

MATTHEWS FAMILY TRUST, uda June 18, 1990

By: Duwaine T. Matthews, Trustee
Duwaine T. Matthews, Trustee

By: Elsie Pearl Matthews, Trustee
Elsie Pearl Matthews, Trustee

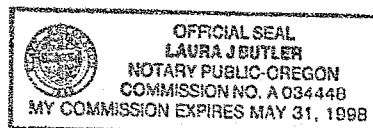
Hank Albertson
Hank Albertson

Barbara E. Albertson By Hank Albertson
Barbara Albertson

Cathy King
Cathy King

STATE OF OREGON, County of Klamath) ss.

This instrument was acknowledged before me on the 6th day of June, 1997, by Duwaine T. Matthews and Elsie Pearl Matthews, as Trustee of the Matthews Family Trust, uda June 18, 1990.



L. J. Butler
Notary Public for Oregon
My Commission Expires: 5/31/98

MEMORANDUM

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EXHIBIT 6

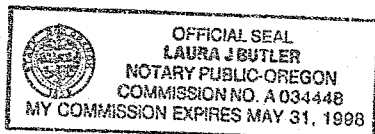
STATE OF OREGON, County of Klamath) ss.

This instrument was acknowledged before me on the 6th day of June, 1997, by Hank Albertson.



Notary Public for Oregon

My Commission Expires: 5/31/98



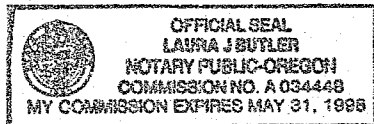
STATE OF OREGON, County of Klamath) ss.

This instrument was acknowledged before me on the 6th day of June, 1997, by Barbara Albertson, by and through her attorney in fact, Hank Albertson.



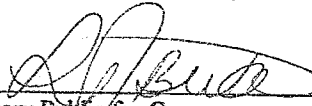
Notary Public for Oregon

My Commission Expires: 5/31/98



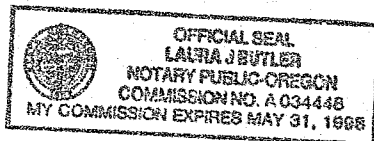
STATE OF OREGON, County of Klamath) ss.

This instrument was acknowledged before me on the 6th day of June, 1997, by Cathy King.



Notary Public for Oregon

My Commission Expires: 5/31/98



MEMORANDUM

EXHIBIT "A"

The S 1/2 of the NE 1/4, The SE 1/4 of the NW 1/4, The SE 1/4 of Section 12, Township 38 South, Range 8 East of the Willamette Meridian, and the NE 1/4 of the NE 1/4 of Section 13, Township 38 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

SAVING AND EXCEPTING that portion thereof deeded to Oregon Eastern Railway Company by deeds recorded April 3, 1908 in Book 24, Page 50 and recorded August 5, 1909 in Book 27 at Page 279, All in Deed Records of Klamath County, Oregon.

ALSO EXCEPT that portion beginning at a point where the South line of Lot 1 of Section 12, Township 38 South, Range 8 East of the Willamette Meridian intersects the Westerly....right of way line of the S.P.R.R. (as marked by the R. R. fence), which point is 104 feet West of the Section line; and running thence West along the South line of said Lot 1 a distance of 548.7 feet to an iron pin; thence South 33 degrees 29' East a distance of 1017 feet to an iron pin on the Westerly right of way line of the S.P.R.R.; thence Northerly and Easterly following the Westerly right of way of the S.P.R.R. to the point of beginning. Said tract being in the SE 1/4 of the NE 1/4 of Section 12, Township 38 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

AND ALSO EXCEPT that portion beginning at an iron pin which lies on the South line of Government Lot 3, 76.23 feet West of the Southeast corner of Government Lot 3, Section 12, Township 38 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon, and running thence West along the South line of said Lot 3, a distance of 169.27 feet to an iron pin; thence South 34 degrees 12' East a distance of 1040.17 feet to an iron pin; thence North 55 degrees 48' East a distance of 140 feet to an iron pin; thence North 34 degrees 12' West a distance of 945.03 feet, more or less, to the point of beginning, said tract being in the SE 1/4 NW 1/4 and SW 1/4 NE 1/4 of Section 12, Township 38 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

AND EXCEPTING THEREFROM that portion of the above-described property transferred by D. T. Matthews and Elsie P. Matthews, husband and wife, grantors, to James W. Kerns and Dorothy C. Kerns, husband and wife, grantees, pursuant to that certain Warranty Deed dated March 4, 1977 and recorded in Volume M-77 at Page 8619 of the Recorder's Office for the County of Klamath, Oregon.

Continued on next page

EXHIBIT "A" CONTINUED

ALSO EXCEPTING THEREFROM that portion of the above-described property transferred by Duwaine Thomas Matthews and Elsie Pearl Matthews, grantors, to The Matthew's Family Limited, a limited partnership, grantee, pursuant to that certain Warranty Deed dated December 31, 1979 and recorded in Volume M-79 at Page 29905 of the Recorder's office for the County of Klamath, Oregon.

ALSO EXCEPTING THEREFROM that portion of the above-described property transferred by D. T. Matthews and Elsie P. Matthews, grantors, to William K. Tamplen and Cheryl D. Tamplen, grantees, pursuant to that certain Warranty Deed-Tenants by Entirety, dated August 31, 1989 and recorded in Volume M-89 at Page 20672 of the Recorder's office for the County of Klamath, Oregon.

ALSO EXCEPTING THEREFROM that portion of the above-described property transferred by Matthews Family Limited Partnership, grantors to Larry Franson and Brenda L. Franson, husband and wife, grantees, pursuant to that certain Warranty Deed dated September 29, 1982, and recorded in Book M-82 at Page 13019, Deed Records of Klamath County, Oregon.

ALSO EXCEPTING THEREFROM that portion of the above-described property transferred by D. T. Matthews and Elsie P. Matthews, as tenants by the entirety, and as Trustees of the Matthews Family Trust dated June 18, 1990, grantors, to Teen Challenge of Oregon, a nonprofit corporation, grantees, pursuant to that certain Warranty Deed dated May 8, 1989, and recorded in Book M-93 at Page 16882, Deed Records of Klamath County, Oregon.

CODE 183 MAP 3808-300 TL 100
CODE 183 MAP 3808-1200 TL 1200

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 6th day
of June A.D., 19 97 at 3:22 o'clock P. M., and duly recorded in Vol. M97
of Deeds on Page 17442.

FEE \$45.00

By Bernetha G. Letsch, County Clerk
Kathleen Rasmussen