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After recording reference to:
WILLIAM DE GANONG
ATTORNEY AT LAW
514 WALNUT AVENUE
KLAMATH FALLS, OR 97601

Vol. 179th Page 41965

MEMORANDUM OF LEASE AND OPTION TO PURCHASE

DATED: November 1, 1998

BETWEEN: Grant F. Brown, 8200 Squaw Flat Road, Bonanza,
Oregon 97623 ("Lessor")

AND: Sierra Cascade Nursery, Inc., 472-715 Johnston
Road, Susanville, California 96130 ("Tenant")

Pursuant to a Commercial Farm Lease of this same date,
Lessor leased to Lessee that certain property in Klamath County,
Oregon, described as follows:

The Northwest 1/4 of the Southeast 1/4 south of Callahan Road, the Southeast 1/4 of the
Southwest 1/4 and the Southwest 1/4 of the Southeast 1/4 of Section 1, Township 38,
South, Range 11 1/2 East Willamette Meridian, Klamath County. Also described as
Klamath County assessor parcel 900, totaling 114.65 acres.

The Northeast 1/4 of the Northwest 1/4 and the Northwest 1/4 of the Northeast 1/4 of
Section 12, Township 38 South, Range 11 1/2 East Willamette Meridian, Klamath
County, Oregon. Also described as Klamath County assessor's parcel number 200
totaling 79.59 acres.

The said lease is for the term of November 1, 1998 to
October 31, 2013. The Lease also grants to Lessee an exclusive
Option to purchase the Property during the term of the Lease.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN
THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND
REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE
PERSON ACQUIRING ANY INTEREST IN OR TO THE PROPERTY SHOULD CHECK
WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY
APPROVED USES.

IN WITNESS WHEREOF, the Landlord has caused this memorandum
to be executed as of the day and year first above written.

Grant F. Brown
Grant F. Brown, Lessor

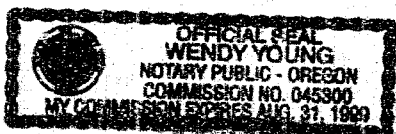
STATE OF OREGON, County of Klamath)ss.

This instrument was acknowledged before me on Nov 10.

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19 98, by Grant F. Brown.



Wendy Young
Signature of notarial officer
My commission expires: 8-31-99

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of William Ganong the 17th day
of November A.D., 19 98 at 11:28 o'clock A. M., and duly recorded in Vol. M98
of Deeds on Page 41965

FEE \$35.00

By Bernetha G. Letsch County Clerk

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