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MEMORANDUM OF COMMERCIAL FARM LEASE AND OPTION TO PURCHASE

DATED: October 1, 2000

BETWEEN: Ritter Ranch, a Partnership consisting of
Carol Ritter, Paul Ritter, Bruce Ritter, and Diane Ritter ("Lessor")

AND: Sierra Cascade Nursery, Inc., ("Lessee")

Pursuant to a Commercial Farm Lease of this same date, Lessor leased to Lessee that certain property in Klamath County, Oregon, described on Exhibit "A" attached hereto and incorporated herein by this reference.

The said Lease and Option to Purchase is for the term of October 1, 2000 to April 30, 2015. 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 FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

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


Paul Ritter, Partner

Carol Ritter, Partner

Ritter Ranch, a Partnership, Lessor


Bruce Ritter, Partner

Diane Ritter, Partner

Sierra-Cascade Nursery, Inc., Lessee

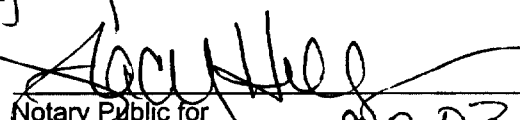
By: 
Randy Jertberg, President

STATE OF Oregon, County of Klamath ss.

Personally appeared the above-named Carol Ritter who acknowledged the foregoing instrument as her voluntary act and deed.

Before me this 17th day of January, 2001.




Notary Public for
My Commission Expires: 8-2003

STATE OF Conn, County of Fairfield ss.

5447

Personally appeared the above-named Diane Ritter who acknowledged the foregoing instrument as her voluntary act and deed.

Before me this 26th day of January, 2001.

Marylee Kelly

Notary Public for

My Commission Expires: 3-31-04

STATE OF Oregon, County of Klamath ss.

Personally appeared the above-named Paul Ritter who acknowledged the foregoing instrument as his voluntary act and deed.

Before me this 17th day of January, 2001.



Stacy Hilferty

Notary Public for

My Commission Expires: 8-2-03

STATE OF Conn, County of Fairfield ss.

Personally appeared the above-named Bruce Ritter who acknowledged the foregoing instrument as his voluntary act and deed.

Before me this 26th day of January, 2001.

Marylee Kelly

Notary Public for

My Commission Expires: 3-31-04

STATE OF Oregon, County of Klamath ss.

Personally appeared the above-named Randy Jertberg in his capacity as President of Sierra-Cascade Nursery, Inc. and acknowledged the foregoing instrument to be his voluntary act and deed.

Before me this 7 day of February, 2001.



Vicki Swindler

Notary Public for

My Commission Expires: 10-8-2001

Legal Description

A parcel of land situated in sections 5, 6, 7 and 8, T38S, R11E, W.M. Klamath County, Oregon, being more particularly described as follows:

Section 5, (located in the W1/2 of Section 5) 87.90 ACRES

Beginning at corner of sections 5, 6, 7 and 8, thence N 0 12'42"E 2855.15 feet on the line between said sections 5 and 6; thence, leaving said section line, N85 30' 51"E 705.92 feet; thence S63 18'04"E 268.22 feet; thence S30 25'22"E 1309.26 feet; thence S3 53'53"W 369.86 feet more or less to the northwest right-of-way line of Oregon State Highway No. 140; thence, on said right-of-way line, S51 50'40"W 661.15 feet; thence, leaving said Highway right-of-way line, S38 27'14"E 608.62 feet; thence S11 15'37"W 245.67 feet; thence S3 24'46"E 163.67 feet more or less to the south boundary of said section 5; thence S89 54'03"W 1412.12 feet to the point of beginning, containing 87.90 acres more or less.

Section 6. 152.06 ACRES

- 1) E1/2 SW1/4,
- 2) S1/2 SE1/4; **excepting** the following parcel: Beginning at the northeast corner of the SE1/4 of section 6; thence, on the section line between sections 5 and 6, S0 12'42"W 500.00 feet; thence, leaving said section line, N89 36'42"W 840.00 feet; thence N2 51'21"W 500.80 feet more or less to the north boundary of said SE1/4; thence S89 36'42"E 866.80 feet to the point of beginning, containing 9.80 acres, more or less.

Section 7, 78.65 ACRES

1) N1/2 NE1/4; **excepting** the following parcel: Beginning at the NE 1/16 corner of section 7, thence, N89 39'40"W, on the east and west center line of the NE 1/4 of section 7, 412.34 feet more or less to the northwest right-of-way line of Oregon State Highway No. 140; thence, on said right-of-way line, N51 52'57"E 535.87 feet; thence, leaving said right-of-way line, S38 07'03"E 80.00 feet to a point on the southeast right-of-way line of said Highway No. 140; thence S0 17'12"E 270.61 feet more or less to a point on the east and west center line of the NE1/4 of section 7; thence N89 41'28"W 60.00 feet to the point of beginning, containing 1.96 acres more or less.

Section 8, (located in the N1/2 of the NW 1/4) 39.75 ACRES

Beginning at the corner of sections 5, 6, 7 and 8, thence, on the line between sections 5 and 8, N89 54'03"E, 1412.12 feet; thence, leaving said section line, S3 24'46"E 14.92 feet; thence S18 04'00"W 468.59 feet; thence S1 52'19"E 383.82 feet; thence S1 31'46"E 103.00 feet; thence S6 25'15"E 383.14 feet more or less to the W1/16 corner on the south boundary of section 8; thence S89 55'58"W 1320.65 feet to the N1/16 corner on the west boundary of section 8; thence N0 13'34"W 1326.81 to the point of beginning, containing 39.75 acres more or less.

State of Oregon, County of Klamath
Recorded 02/12/01, at 9:55 a.m.
In Vol. M01 Page 5446
Linda Smith,
County Clerk Fee\$ 36⁰⁰