

PASTURE AGREEMENT

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Pasturing and grazing agreement made the 2nd day of September, 1981, by and between MICHAEL C. MATWICH and BRENDA S. MATWICH, husband and wife, hereinafter referred to as First Party and JESPERSEN-EDGEWOOD, INC., an Oregon corporation, hereinafter referred to as Second Party.

SECTION ONE
PROPERTY AND TERM

In consideration of First Party's granting to Second Party pasturage rights in the property located in County of Klamath State Oregon described as follows:

E 1/2 NW 1/4 SE 1/4 SW 1/4 SE 1/4, SE 1/4 SW 1/4 of Section 18, Township 37 South, Range 10 East of the Willamette Meridian.

EXCEPTING THEREFROM that Second Party shall not graze cattle within a 150 foot radius of the house that is currently located upon the premises.

This Agreement commences the 2nd day of September, 1981 and is for a term of 20 years on the terms and conditions set forth herein.

SECTION TWO
USE OF LAND

The premises shall be used by the Second Party solely and exclusively for the pasturage and grazing of cattle. At no time shall the number of cattle pastured exceed two hundred. Second Party shall not permit others to use the land for pasturage, nor permit Second Party's cattle to graze or run at large over lands belonging to First Party not covered under this Agreement with Second Party.

SECTION THREE
CONSTRUCTION

Second Party shall not build structures of any character upon these premises without the prior written consent of First Party.

SECTION FOUR
REMOVAL OF FENCES

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Second Party shall not remove or relocate any fences that are on these premises at the commencement of this Agreement, without the prior written consent of First Party.

SECTION FIVE
LABOR AND MATERIALS

Second Party shall fully pay for all materials joined or affixed to the premises, except fencing, pursuant to this Agreement and pay in full all persons who perform labor on the premises, and will not permit or suffer any mechanics' liens or materialmen's liens of any kind or nature to be enforced against the premises for any work done or materials furnished thereon at Second Party's instance or request.

SECTION SIX
INDemnIFICATION

Second Party shall indemnify First Party against all liability, cost, and expense for loss of or damage to property, and for injuries to or deaths of persons arising directly or indirectly from the use of the premises by Second Party.

SECTION SEVEN
ASSIGNMENT

This Agreement shall inure to the benefit and be binding upon the heirs, executors, successors and assigns of the parties hereto; provided, however, JESPERSEN-EDGEWOOD, INC. shall not assign all or any part of this Agreement without the prior written consent of MICHAEL C. MATWICH and BRENDA S. MATWICH, husband and wife, however, such consent shall not be unreasonably withheld.

SECTION EIGHT
RIGHT OF FIRST REFUSAL

At any time during the term of this Agreement, Second Party shall receive any bonified offer to purchase the grazing rights under this Agreement, for the balance of the term of this Agreement, First Party shall have the right of first refusal to meet any bonified offer of sale upon the same terms and conditions of such offer. Upon the First Party's failure to meet such bonified offer within 30 days after notice thereof from Second

Party, the Second Party shall be free to sell the grazing rights or a portion thereof to such third person in accordance with the terms and conditions of its offer.

SECTION NINE
ATTORNEY'S FEES

In the event First Party or Second Party shall bring suit to compel performance of or to recover for breach of any covenant, agreement or condition herein, the prevailing party shall be entitled to recover from the other party costs and reasonable attorneys' fees.

SECTION TEN
SURRENDER OF PREMISES

Second Party shall, at the termination of this Agreement, vacate the premises in as good condition as they are in at the time of the entry thereon by Second Party, except for reasonable use and wear thereof, acts of God, or damage by casualty beyond the control of the Second Party, and upon vacating shall leave the premises free and clear of all rubbish and debris.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the 2nd day of September, 1981.

FIRST PARTY:

Michael C. Matwisch
MICHAEL C. MATWICH

Brenda S. Matwisch
BRENDA S. MATWICH

SECOND PARTY:

JESPERSEN-EDGEWOOD, INC.
an Oregon corporation

by: Kenneth L. Jepsen
President

by: Lawrence C. Jepsen
Secretary/Treasurer

STATE OF OREGON)
) ss.

County of Klamath)

Personally appeared KENNETH L. JESPERSEN and LAWRENCE C. JESPERSEN, JR., who, being first duly sworn, depose and say that the former is the President and the latter is the Secretary/Treasurer of JESPERSEN-EDGEWOOD, INC., an Oregon corporation, and that they voluntarily signed and sealed this instrument on behalf of the corporation by authority of its board of Directors.

BEFORE ME:

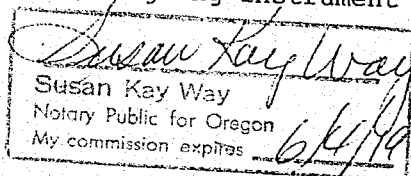
Susan Kay Way
Susan Kay Way
Notary Public for Oregon
My commission expires 6/4/1985

STATE OF OREGON)
) ss.

County of Klamath)

Personally appeared MICHAEL C. MATWICH and BRENDA S. MATWICH, husband and wife, and acknowledged the foregoing instrument to be their voluntary act and deed.

BEFORE ME:



NOTARY PUBLIC FOR OREGON
My Commission Expires: _____

AFTER RECORDING RETURN TO:

JESPERSEN-EDGEWOOD, INC.
Route 2 Box 809
Swan Lake Road
Klamath Falls, Oregon 97601

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Klamath County Titel Co.

this 2nd day of September A. D. 19 81 at 3:02 o'clock P M., and
duly recorded in Vol. M81, of Deeds on Page 15618

By EVELYN BIEHN, County Clerk
Deputy

Fee \$16.00