MEMORANDUM OF LEASE

It is hereby acknowledged that a mining lease was entered into by and between LAWRENCE GRAY and LOIS GRAY, husband and wife, and JOHN NICKELSON and SHIRLEY NICKELSON, husband and wife, as Lessors, and OIL-DRI PRODUCTION COMPANY, a Mississippi Corporation, as Lessee. The Lease affects the real property described in Exhibit "A." term of the lease is for a five-year period and is for the sole purpose of allowing the Lessee to explore for or mine for, including taking out or mining in the property, diatomite or diatomaceous earth.

The terms of the Lease are more specifically set out in the Lease agreement, including renewal terms and various provisions

Said Agreement was signed by the parties on March 21, March 22, and April 4, 1985.

STATE OF OREGON

County of Klamath SS.

On this the 2/ day of May, 1985, personally appeared the above-named LAWRENCE GRAY and LOIS GRAY, husband and wife, and acknowledged to me the above instrument as their voluntary act and

> Notary Public for Oregon My Commission expires:

LOIS E. ADOLF NOTARY PUBLIC - OREGON

PROCTOR, PUCKETT & FAIRCLO ATTORNEYS AT LAW 280 MAIN STREET KLAMATH FALLS, OREGON 97601

PARCEL 1A:

The WASEL of Section 8, LESS the following described portion thereof, to-wit:

Commencing at the Northeasterly corner of NWLSEL of said Section 8, and running South along the East line of said NW4SE4 a distance of 600 feet; thence Northwesterly in a straight line to a point on the North line of said NWLSEL which point is 720 feet West of the point of beginning; thence East along said line to the point of beginning; ALSO Lot 2, and the portions of NE\SW\(\frac{1}{2}\); Lot 1, and SE\(\frac{1}{2}\)NW\(\frac{1}{2}\) of said Section 8 lying Southwesterly, Southerly and Southeasterly of the following described line, to-wit: Commencing at a point on the North line of said Lot 1, which point lies Westerly 495 feet from the Northeasterly corner of said Lot 1 and running thence Souththe Northeasterly corner of said Lot I and running thence Southeasterly to a point which is Westerly 165 feet from a point on the East line of said Lot, which last point is 580 feet South of said Northeast corner of said Lot 1; thence Easterly a distance of 430 Northeast corner of said Lot 1; thence Easterly of said point 580 feet feet to a point which is 265 feet Easterly of said point 580 feet South of the Northeast corner of said Lot 1; and thence Northeasterly South of the Northeast corner of said Lot 1; and thence Northeasterly said the Stranger Line of SEKNWK of said in a straight line to a point on the East line of SELNWL of said Section 8, which point is 840 feet North of the Southeast corner of said SELNWL of Section 8;

All of the foregoing land lying in Township 40 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

AND ALSO that portion of Government Lot 4, Section 7, Township 40 South, Range 9 East of the Willamette Meridian, lying in the NE SEL of said Section 7.

AND ALSO the ELNEX and Government Lot 4, Section 17, Township 40 South, Range 9 East of the Willamette Meridian.

PARCEL 1B:

The SELSEL of Section 8, Township 40 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

PARCEL 2:

The WNW Section 16, Township 40 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

PARCEL 3:

The SW&SW& Section 9, Township 40 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

STATE OF OREGON: COUNTY OF KLAMATH:ss I hereby certify that the within instrument was received and filed for record on the 22nd day of May A.D., 19 85 at 10:16 o'clock A M, and duly recorded in Vol M85, of Deeds on page 7608
and duly recorded in vol, or army or EDV

EVELYN BIEHN, COUNTY CLERK

\$ \$9.00 Fee:

Deputy