

THIS INDENTURE, made and entered into this 19 day of May, 1986 by and between RITLY, LTD., (hereinafter called SELLER), and WILLIAM T. MacQUARRIE, JOHN D. HOWARD, STEVE F. THOMAS and JOHN D. HOWARD, JR., (hereinafter called BUYER);

WITNESSETH

WHEREAS, the parties have executed a document entitled "CONTRACT OF SALE", dated 5/19/86, 1986, wherein SELLER has agreed to sell and BUYERS have agreed to buy, all of the following described real property situated in Klamath County, State of Oregon:

PARCEL 1

A tract of land situated in the SW $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 11, Township 35 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at the intersection of the West line of the NW $\frac{1}{4}$ and the North line of the Sprague River; thence Southeasterly along said North line of the Sprague River to the South line of the NW $\frac{1}{4}$; thence East along said South line to a point which lies 944 feet from the Southwest corner of the NW $\frac{1}{4}$ of Section 11, Township 35 South, Range 9 East of the Willamette Meridian; thence at right angles and parallel to the West line of the NW $\frac{1}{4}$, North a distance of 480 feet to a point; thence West parallel to the South line of the NW $\frac{1}{4}$ to the West line of the NW $\frac{1}{4}$; thence South to the point of beginning.

LESS AND EXCEPT any portion of the above described property that lies within Drews Ranch Road.

PARCEL 2

That portion of the E $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ lying North of Sprague River and Westerly of Drews Ranch Road, also known as Skeen Ranch Road in Section 11, Township 35 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

PARCEL 3

All that portion of the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 11, Township 35 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Commencing at a point South 89° 21' 50" East 1203 feet from the Southwest corner of the NW $\frac{1}{4}$ of Section 11, Township 35 South, Range 9 East of the Willamette Meridian; thence at right angles and parallel to the West line of the NW $\frac{1}{4}$, North a distance of 60 feet to the true point of beginning; thence continuing North a distance of 420 feet to a point; thence due West 229 feet; thence South at right angles and parallel to the West line of the NW $\frac{1}{4}$ to the Northwestern line of the County Road (also known as Skeen Road); thence following said Northwestern line and Northerly line in an Easterly direction to the point of beginning.

PARCEL 4

The Westerly 30 feet of the following described property: All that portion of the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 11, Township 35 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly

described as follows: Commencing at a point South 89° 21' 50" East 1203 feet from the Southwest corner of the NW ¼ of Section 11, Township 35 South, Range 9 East of the Willamette Meridian, thence at right angles and parallel to the West line of the NW ¼, North a distance of 60 feet to the true point of beginning; thence continuing North a distance of 420 feet to a point; thence due West 259 feet; thence South at right angles and parallel to the West line of the NW ¼ to the Northwestern line of the County Road (also known as Skeen Road); thence following said Northwestern line and Northerly line in an Easterly direction to the point of beginning, in the County of Klamath, State of Oregon.

Subject to the following:

1. Rights of the public in and to any portion of the herein described premises lying within the limits of streets, roads or highways.
2. Rights of the public and of governmental bodies in and to that portion of the premises herein described lying below the high water mark of Sprague River and the ownership of the State of Oregon in and to that portion lying below the usually high water mark thereof.
3. Reservation contained in Land Status Report recorded November 5, 1958 in Volume 306, page 13, Deed Records of Klamath County, Oregon, as follows:
 "The above described property is subject to any existing easements for public roads and highways, for public utilities, and for railroads and pipe lines and for any other easements or rights of way of record; and there is hereby reserved any and all roads, trails, telephone lines, etc., actually constructed by the United States, with the rights of the United States to maintain, operate or improve the same so long as needed or used for or by the United States. (Dept. Instr., January 23, 1916, 44.L.D. 513.)"
4. Permission for Right of Way Easement for roadways, trails or telephone lines including the terms and provisions, in favor of United States of America, recorded September 29, 1959 in Miscellaneous Book 13, page 569 and 570.
5. Trust Deed, including the terms and provisions thereof, given to secure an indebtedness with interest thereon and such future advances as may be provided therein,
 Dated: July 19, 1982
 Recorded: August 3, 1982
 Volume: M82, page 9916, Microfilm Records of Klamath County, Oregon
 Amount: \$32,500.00
 Grantor: Ritly, Ltd., a Nevada Corporation
 Trustee: Transamerica Title Insurance Company
 Beneficiary: Jean G. Clark
 (Parcels 1, 2 and 4)
6. An easement created by instrument, including the terms and provisions thereof,
 Dated: April 4, 1984
 Recorded: August 3, 1984
 Volume: M84, page 13319, Microfilm Records of Klamath County, Oregon
 In Favor of: Telephone Utilities of Eastern Oregon, Inc., an Oregon Corporation
 For: Underground telephone utilities
 (Parcels 1 through 4)

WHEREAS, said contract has provided for the sale of certain real property therein described; and,

WHEREAS, said contract provides, among other things, that upon payment of the sum of THIRTY-SIX THOUSAND and NO/100 DOLLARS allocated to the real property, SELLER will convey to BUYER the above described real property by Warranty Deed;

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.

NOW, THEREFORE; the parties agree that the within Memorandum is executed for the purpose of memorializing of record the execution of the contract aforesaid.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.

RITLY, LTD.

By Luwana A. Harvey, President
STATE OF ~~OREGON~~ Nevada

County of Clark

SS.

By Richard T. Harvey, Consultant

On this 30th day of May, 1986, personally appeared the above named Luwana A. Harvey and Richard T. Harvey, who, being duly sworn, each for himself and not one for the other, did say that the former is the President and the latter is Consultant of RITLY, LTD., a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed.



NOTARY PUBLIC
STATE OF NEVADA
County of Clark
Barbara J. Seright
My Appointment Expires Aug. 19, 1989

By Barbara J. Seright
NOTARY PUBLIC for ~~OREGON~~ Nevada
My Commission expires:

By William T. MacQuarrie
WILLIAM T. MACQUARRIE

By Steve F. Thomas
STEVE F. THOMAS

STATE OF ~~OREGON~~ CALIFORNIA

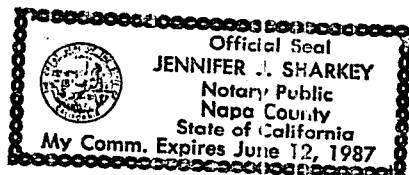
County of Napa

SS.

By John D. Howard
JOHN D. HOWARD

By John D. Howard, Jr.
JOHN D. HOWARD, JR.

On this 19th day of May, 1986, personally appeared the above named William T. MacQuarrie, Steve F. Thomas, John D. Howard, and John D. Howard, Jr., and acknowledged the foregoing instrument to be their voluntary act and deed.



By Jennifer J. Sharkey
NOTARY PUBLIC for ~~OREGON~~ California
My Commission expires:

9656

SELLER'S name and address:

Ritly, Ltd.

2304 E. Sahara, Suite B
Las Vegas, NV 89104

After recording return to:

Mountain Title Company

407 Main Street
Klamath Falls, OR 97601

BUYER'S name and address:

William T. MacQuarrie
John D. Howard
Steve F. Thomas
John D. Howard, Jr.

2142 S. Terrace Dr.
Napa, CA 94558

Mail Tax Statements To:

William T. MacQuarrie
John D. Howard
Steve F. Thomas
John D. Howard, Jr.

c/o 2142 S. Terrace Dr.
Napa, CA 94558

STATE OF OREGON)
County of Klamath) ss.

for
recorder's
use

I certify that the within instrument
was received for record on the 4th day of
June, 1986, at 11:17
o'clock A.M., and recorded in
book/reel/volume No. m86 on page 9653 or
as document/fee/file/ instrument/microfilm
No. 62151 Record of Deeds of said county.

Evelyn Biehn, Klamath County Clerk
Name
By [Signature] Title

Fee:\$17.00