

RIGHT OF FIRST REFUSAL

PARTIES:

OWNERS: WARD'S KLAMATH FUNERAL HOME, INC.
JAMES WARD
JOYCE WARD
GLN MANAGEMENT

PURCHASER: ETERNAL HILLS MEMORIAL GARDENS, INC.

R E C I T A L S

1. Owner JOYCE WARD is the owner of a parcel of real property described on Exhibit "A" attached.

2. Owners, JAMES WARD and GLN MANAGEMENT, INC. are the owners of all the issued, outstanding shares of WARD'S KLAMATH FUNERAL HOME, INC.

3. GLN MANAGEMENT, INC. is an Oregon Corporation composed of Lawrence C. Jespersen, J. Gill Hannigan, and Neil M. Hurley.

4. Purchaser is desirous of obtaining the right to purchase the real property described above.

5. WARD'S KLAMATH FUNERAL HOME, INC., JAMES WARD and JOYCE WARD entered into a Letter of Intent dated June 28, 1990, with Purchaser. The Purchaser believes that the Letter of Intent is a binding Letter of Intent and that Purchaser has fully complied with all of its terms and conditions.

6. WARD'S KLAMATH FUNERAL HOME, INC., JAMES WARD and JOYCE WARD have decided that they do not wish to sell the property that is described in the Letter of Intent.

A G R E E M E N T

In consideration of Purchaser relinquishing all of its rights under the Letter of Intent, the parties agree as follows:

1. Owners grant to Purchaser a right of first refusal of the real and personal property owned by Ward's Klamath Funeral Home, Inc. until September 4, 2005. Sale of the real and personal property means a sale or transfer of any substantial part of either the personal property owned by the Corporation, shares of the Corporation, or the real property or any property used in the funeral home business. It includes a partial sale as well as a full sale of the assets of the Corporation. Sale or transfer shall be used in their broadest sense.

2. A sale shall not include a change of entity. In the event the real property is transferred to the Corporation or the ownership of shares of stock owned by some or all of Owners in the Corporation is redistributed among the current owners, such change shall not constitute a sale or transfer.

3. A sale shall not include sale of stock to employees provided, however, that any such sale shall be a good faith sale and shall not be a disguised sale with the intent to circumvent the right of first refusal contained in this Agreement.

4. In the event Owners receive a bona fide offer to sell or transfer, they shall notify Purchaser in writing at the address contained in this Agreement. Purchaser shall have sixty (60) days in which to match the price and terms of any sale. This right of first refusal shall be exercised by entering into an earnest money agreement or other agreement and depositing a like amount of funds with an appropriate escrow agency. All terms of the new agreement shall be identical to the original offer with the exception of time. All times of performance shall be extended sixty (60) days. In the event Purchaser does not enter into a like agreement, this agreement shall be of no further force and effect. Whether or not the original offer contains personal guarantees on the part of the principals of a purchasing entity, the principals of Eternal Hills Memorial Gardens, Inc., may not exercise the right of first refusal without the principals of Eternal Hills Memorial Gardens, Inc., entering into appropriate personal guarantees of obligation to purchase.

5. In the event that the bona fide offer contains a provision prohibiting Owners from competing in the funeral home business, then such prohibition against competition shall be included in the agreement in the event of a purchase by Purchaser.

6. Notice to the parties shall be given by regular and certified mail, return receipt requested, at the following addresses:

OWNER:
Jim Ward
1945 Main Street
Klamath Falls, OR 97601

PURCHASER
Eternal Hills Memorial Gardens, Inc.
4711 Highway 39
Klamath Falls, OR 97603

7. If suit or action is instituted to enforce any of the provisions of this Contract, the prevailing party shall be entitled to recover from the other party such sums as the Court may adjudge

reasonable as attorney fees at trial or on appeal in such suit or action in addition to all other sums provided by statute.

DATED this 17 day of April, 1991.

Jim Ward
JIM WARD

GLN MANAGEMENT, INC.

ETERNAL HILLS MEMORIAL GARDENS,
INC.

Lawrence C. Jespersen, Jr.
Lawrence C. Jespersen, Jr.
President

WARD'S KLAMATH FUNERAL
HOMES, INC.

Robert A. Gordon, Sr.
Robert A. Gordon, Sr.
Secretary/Treasurer

James Ward
James Ward
President

STATE OF OREGON)
) ss.
County of Klamath)

On this 17 day of April, 1991, personally appeared the above-named JIM WARD and acknowledged the foregoing instruments to be her voluntary act. Before me:

Dick Young
NOTARY PUBLIC OF OREGON
My commission expires: 9-21-92

STATE OF OREGON)
) ss.
County of Klamath)

On this 29 day of April, 1991, appeared Lawrence C. Jespersen, Jr., President of GLN Management, Inc. and acknowledged the foregoing instruments to be its voluntary act. Before me:

Dick Young
NOTARY PUBLIC OF OREGON
My commission expires: 9-21-92

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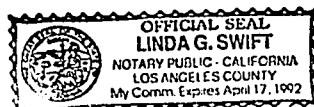
STATE OF OREGON)
) ss.
 County of Klamath)

On this 17 day of April, 1991, appeared James Ward,
 President of Ward's Klamath Funeral Home, Inc. and acknowledged the
 foregoing instruments to be its voluntary act. Before me:

Jack L. Young
 NOTARY PUBLIC OF OREGON
 My commission expires: 9-21-92

STATE OF CALIFORNIA
~~STATE OF OREGON~~ &)
 County of Los Angeles) ss.
~~County of Klamath~~ &)

On this 8th day of May, 1991, appeared Robert A.
 Gordon, Sr., Secretary/Treasurer of Eternal Hills Memorial Gardens,
 Inc. and acknowledged the foregoing instruments to be its voluntary
 act. Before me:



Linda G. Swift
 NOTARY PUBLIC OF OREGON
 My commission expires:

PARCEL 1:

Beginning at a point on the Northerly line of Main Street, which is South 89 degrees 18' East a distance of 862.2 feet along the Northerly line of Main Street from the Southeast corner of Block 57, SECOND HOT SPRINGS ADDITION TO THE CITY OF KLAMATH FALLS, OREGON, in the County of Klamath, State of Oregon; thence North 0 degrees 42' East a distance of 254.5 feet, more or less, to a point which is 20 feet distant Southwesterly at right angles from the Southwesterly line of the U.S.R.S. Canal right of way; thence South 68 degrees 52' East and parallel with the Southwesterly line of said canal right of way and 20 feet distant Southwesterly at right angles therefrom a distance of 52.6 feet, more or less, to a point; thence South 0 degrees 42' West a distance of 234.5 feet, more or less to the Northerly line of Main Street; thence North 89 degrees 18' West along the Northerly line of Main Street a distance of 50 feet to place of beginning, all in WILLIAMS ADDITION TO THE CITY OF KLAMATH FALLS, OREGON; and

Beginning at a point on the Northerly line of Main Street, which is 89 degrees 18' East a distance of 912.2 feet along the Northerly line of Main Street from the Southeast corner of Block 57, Second Hot Springs Addition to the City of Klamath Falls, Oregon; thence North 0 degrees 42' East a distance of 234.5 feet, more or less, to a point which is 20 feet distant Southwesterly at right angles from the Southwesterly line of the U.S.R.S. Canal right of way; thence South 75 degrees 22 1/2' East parallel with the Southwest line of said canal right of way and 20 feet distant Southwesterly at right angles therefrom a distance of 55 feet, more or less, to the Northwest corner of that parcel of land deeded to Dr. A. A. Soule, April 24, 1923; thence in a Southerly direction and parallel to Mortimer Avenue, a distance of 214.8 feet, more or less, to the Northerly line of Main Street; thence Westerly along the Northerly line of Main Street a distance of 50 feet to the place of beginning, all in Williams Addition.

PARCEL 2:

Beginning at a point which is South 89 degrees 19' East a distance of 1062.2 feet, East along the Northerly line of Main Street from the Southeasterly corner of Block 57, SECOND HOT SPRINGS ADDITION TO THE CITY OF KLAMATH FALLS, OREGON, in the County of Klamath, State of Oregon; thence North 0 degrees 42' East a distance of 191.25 feet to a point which is 20 feet distant Southwesterly at right angles from the Southwesterly line of the U. S. Reclamation Service Main Canal Right of Way; thence in a Northwesterly direction and parallel with the Southwesterly line of said canal right of way and 20 feet distant at right angles therefrom a distance of 101.25 feet, more or less, to a point; thence South 0 degrees 42' West a distance of 214 feet, more or less, to the Northerly line of Main Street; thence South 89 degrees 18' East a distance of 100 feet to the place of beginning, lying and being in the unplatted portion of Williams Addition to the City of Klamath Falls, Oregon, and in the S 1/2 of the SE 1/4 of the SW 1/4 of Section 28, Township 38 South, Range 9 East of the Willamette Meridian.

PARCEL 3:

Beginning at a point which is South 89 degrees 18' East a distance of 1067.2 feet along the Northerly line of Main Street from the Southeasterly corner of Block 57 of SECOND HOT SPRINGS ADDITION TO THE CITY OF KLAMATH FALLS, OREGON, in the County of Klamath, State of Oregon; thence North 0 degrees 42' East a distance of 185.75 feet, more or less, to a point which is 20 feet distant Southwesterly at right angles from the Southwesterly line of the U.S. Reclamation Service Main Canal right of way; thence in a Northwesterly direction and parallel with the Southwesterly line of the said canal right of way and 20 feet distant at right angles therefrom a distance of 5.18 feet to the Northeast corner of that piece of land deeded to Eve Soule by Herbert Lang and Jennie Lang, as recorded in Volume 105 at Page 47 of Klamath County Deed Records; thence South 0 degrees 42' West a distance of 187.15 feet, more or less, to a point on the Northerly line of Main Street; thence South 89 degrees 18' East along the Northerly line of Main Street a distance of 5.0 feet to the point of beginning, lying and being in the unplatted portion of Williams Addition to the City of Klamath Falls, Oregon, and in the S 1/2 SE 1/4 SW 1/4 of Section 28, Township 38 South, Range 9 East of the Willamette Meridian.

CODE 1 MAP 3809-28CD TL 13500

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Francis & Martin the 29th day
of May A.D., 19 91 at 12:45 o'clock P M., and duly recorded in Vol. M91,
of Deeds on Page 10029

FEE \$33.00

Return: Francis & Martin
1199 NW Wall, Bend, OR. 97701

Evelyn Biehn County Clerk

By Pauline M. Henderson