

MEMORANDUM OF LEASE

By an instrument in writing dated March 7, 1994, SWAN LAKE FEEDERS, INC. (Lessor) has leased to DIVERSIFIED FIBER CORPORATION, INC. (Lessee), effective March 7, 1994, the real property described in exhibit A, which is attached hereto.

This memorandum is executed to evidence and confirm the lease referred to above, to which reference is made for its terms and conditions which include the following:

1. Term March 7, 1994 through September 8, 1994.

LESSOR:

SWAN LAKE FEEDERS, INC.

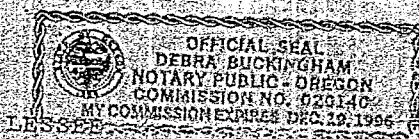
By Peggy J. BiaggiTitle Secretary

STATE OF OREGON)

:ss

County of Klamath)

The foregoing instrument was acknowledged before me this 25th day of March, 1994, by Peggy J. Biaggi, the Secretary of SWAN LAKE FEEDERS, INC., an Oregon corporation, on behalf of the corporation.



LESSOR

By Debora Buckingham

NOTARY PUBLIC FOR OREGON

My Commission Expires: 12-19-96

DIVERSIFIED FIBER CORPORATION, INC.

By Donald EganTitle Vice President

STATE OF OREGON)

:ss

County of Klamath)

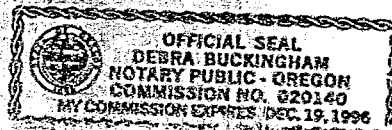
The foregoing instrument was acknowledged before me this 28th day of March, 1994, by Donald Egan, the Vice President of DIVERSIFIED FIBER CORPORATION, INC., an Oregon corporation, on behalf of the corporation.

By Debora Buckingham

NOTARY PUBLIC FOR OREGON

My Commission Expires: 12-19-96

AFTER RECORDING RETURN TO:
James R. Uerlings
110 N. 6th St.
Klamath Falls, OR 97601



9290

Township 38 South, Range 11 E 1/2 East of the Willamette
Meridian

Section 33, N1/2 NW1/4 (less 2 acres for railroad described in
Deed Volume 47, on page 594, Records of Klamath County, Oregon) and
the NE1/4 NW1/4

All located in Klamath County, Oregon

STATE OF OREGON: COUNTY OF KLAMATH:

Filed for record at request of Klamath County Title Co the 29th day
of March A.D. 19 26 at 5:32 o'clock P.M., and duly recorded in Vol. 494
of Deeds on page 189

RECORDED

Deputy Clerk

County Clerk

Charles H. Hildner