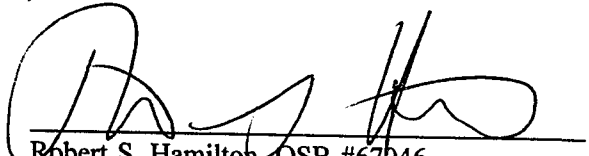


NOTICE OF PENDENCY OF AN ACTION

Pursuant to ORS 93.740, the undersigned states:

1. As Plaintiff, John Wayne Morse has filed an action in the Circuit Court for Klamath County, State of Oregon, Case No., 95 4733 cv
2. The Defendants are Talon Land Corporation, an Oregon Corporation, and Cathryn Cramer Morse.
3. The object of the action is dissolution of corporation (Talon Land Corporation), appointment of receiver or custodian, accounting and injunction.
4. The description of Oregon real property to be affected in Klamath County, Oregon is real property owned by Defendant Talon Land Corporation and is set out in Exhibit A, attached to this notice and by this reference made a part hereof.

DATED this 26th day of October, 1995.

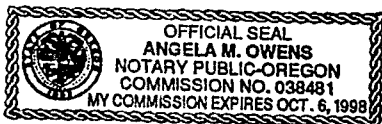



Robert S. Hamilton, OSB #67046
Of Attorneys for Plaintiff
220 Laurel Street
Medford, Oregon 97501
(503) 779-5503

Ref:
=

STATE OF OREGON)
)
County of Jackson)

The foregoing instrument was acknowledged before me this 26th day of October, 1995 by Robert S. Hamilton.




NOTARY PUBLIC FOR OREGON
My Commission Expires: 10/6/98

TALON LAND
LEGAL DESCRIPTION

18900

Lots 4 and 5, Section 16, S1/2 of Lot 29, S1/2 S1/2 N1/2 of Lot 29 and S1/2 S1/2 N1/2 S1/2 N1/2 of Lot 29, Section 9, Township 36 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

Lot 21, Section 9, Township 36 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

Lot 28, the N1/2 N1/2 of Lot 29; the N1/2 N1/2 S1/2 N1/2 of Lot 29 and the N1/2 S1/2 N1/2 S1/2 N1/2 of Lot 29 in Section 9, Township 36 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

Lots 4, 5, 11, 12, 13 and 14 in Section 9, Township 36 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, less the following described portion of said Lot 4, to wit:

Commencing at the Northeast corner of said Lot 4 and running thence South along the Easterly line thereof a distance of 320 feet to a point; thence Westerly parallel with the North line of said Lot 1320 feet to the West line of said Lot; thence Northerly 320 feet to the Northwest corner of said Lot; thence East along the Northerly line of said Lot to the point of beginning.

Lot 18, Section 9, Township 36 South, Range 7 East of the Willamette Meridian, EXCEPTING THEREFROM, the Easterly 1/2 of Lot 18 and that portion lying Westerly of Highway 427 (Old California Dalles Highway)

All that certain real property situate, lying and being in the County of Klamath, State of Oregon, more particularly described as follows:

In Township 35 South, Range 7 East of the Willamette Meridian:

In Section 30: Lot 19

In Section 31: Lots 12, 16, 18, 19, lying Southerly and Easterly of the Williamson River, and all of Lots 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 34, 35, 36, 37 and portion of Lots 11, 20, 21, 28, 29 and 38 in Section 31, more particularly described as follows: Beginning at the stone monument marking the section corner common to Sections 31 and 32, Township 35 South, Range 7 East of the Willamette Meridian and to Sections 5 and 6, Township 36 South, Range 7 East of the Willamette Meridian; thence South 89 degrees 55 3/4' West along the section line common to said Sections 31 and 6, 425.0 feet to a point; thence North 0 degrees 25' West 30.0 feet to an iron pipe on the Northerly right of way line of a county road as the same is presently located and constructed and the true point of beginning of this description; thence South 89 degrees 55 3/4' West along the said Northerly right of way line 868.7 feet to a point in the fence line marking the Westerly boundary of Lot 38 of said Section 31; thence North 0 degrees 55 3/4' West 1271.7 feet to the stone monument marking the Northwest corner of Lot 29 of said Section 31 (said monument being also the SE1/16 corner of said Section 31); thence North 0 degrees 25' West 1316.7 feet to the stone monument marking the Northwest corner of Lot 21 of said Section 31 (said monument being also the East 1/16 corner on the East-West centerline of said Section 31); thence North 0 degrees 19 3/4' West 1263.3 feet to an iron pin on the Westerly boundary of Lot 11 of said Section 31 and from which point the Northwest corner of said Lot 11 bears North 0 degrees 19 3/4' West 55.0 feet distant; thence South 13 degrees 14 1/2' East 3955.5 feet, more or less, to the true point of beginning.

- CONTINUED -

TALON LAND
LEGAL DESCRIPTION

18901

In Township 35 South, Range 7 1/2 East of the Willamette Meridian:
All of Sections 36, lying East of the Williamson River.

In Township 36 South, Range 7 1/2 East of the Willamette Meridian:
That portion of Section 1 and Fractional Sections 2, 11 and 12 lying Northeasterly and Northerly of the shore line of Klamath Lake and Easterly of the Williamson River.

The E1/2 NE1/4 SE1/4 of Section 8 and Government Lot 20 in Section 9, Township 36 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

The W1/2 NE1/4 SE1/4 and the SE1/4 NE1/4 of Section 8, Township 36 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

The N1/2 NW1/4; Lot 1 and that portion of Lot 2 lying Northerly and Westerly of the present shore line of Klamath Lake of Section 8, Township 36 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

Lots 3, 4 and 5 and the SW1/4 NE1/4 and Lot 2, EXCEPTING THEREFROM that portion lying Westerly of the Easterly boundary of the dike on the Easterly boundary of the channel running Northerly and Southerly through said SW1/4 NE1/4 and Lot 2 of Section 8, and Lot 1 of Section 17, Township 36 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

In Township 36 South, Range 7 East of the Willamette Meridian:

In Section 5 and 8 described as follows:

Beginning at a point on the West line of said Section 5 which bears South 0 degrees 21' 20" East a distance of 644.5 feet from the Northwest corner of said Section 5; thence South 33 degrees 55' 20" East a distance of 4,666.55 feet, more or less, to a point on the North-South center section line of said Section 5, which point bears North 1 degree 18' 55" East a distance of 723.9 feet from the South one-quarter corner of said Section 5; thence South 1 degree 09' 50" East a distance of 1,768.3 feet to a deep water channel situate on the NW1/4 NE1/4 of said Section 8; thence West a distance of 52.55 feet to a point on the North-South centerline of said Section 8; thence North along said centerline a distance of 1,044.2 feet, more or less, to the Quarter section corner common to said Section 5 and 8; thence West along the South line of said Section 5 to the Southwest corner thereof; thence North along the West line of said Section 5 to the point of beginning. Said parcel being all of Lots 20, 21, 28, 29, 30 and portions of Lots 4, 5, 12, 13, 14, 19, 22, 27 and 31 in Section 5, and portion of the NW1/4 NE1/4 of Section 8.

- CONTINUED -

TALON LAND
LEGAL DESCRIPTION

18902

EXCEPTING that portion of Lot 12, more particularly described as follows: A portion of Lot 12 beginning at the Northeast corner of Lot 12, said Township and Range; thence South 0 degrees 19 3/4' East 55.0 feet to an iron pin; thence North 45 degrees 18 3/4' West 77.8 feet to an iron pin; thence North 89 degrees 40 1/4' East 55.0 feet, more or less, to the point of beginning.

In Section 6: All of Section 6, SAVING AND EXCEPTING the North 30 feet of Lot 1 of Section 6, Township 36 South, Range 7 East of the Willamette Meridian, as conveyed by Tulana Farms to Klamath County by deed executed January 11, 1954, recorded January 13, 1954 in Deed Volume 265 at page 50, Deed Records of Klamath County, Oregon.

In Section 7: All of Fractional Section 7, Township 36 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

A tract of land situated in Government Lot 1 of Section 9, Township 36 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the Northwest corner of said Lot 1; thence East, along the North line of said Lot 1, 233 feet, more or less, to a point from which a tree bears North 25 feet, more or less and West 10 feet; thence Southerly 660 feet to a fence corner on the South line of said Lot 1; thence West 233 feet to the Southwest corner of said Lot 1; thence North 660 feet to the point of beginning.

Tax Account No: 3607 A0900 00101

Government Lots 25 and 32, Section 4, Township 36 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

Tax Account No: 3607 A0400 02000

- END -

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co.
of Aug. A.D. 19 92 at 9:25 o'clock A.M. and duly recorded in Vol. 18899 the 21st day
of Deeds on Page 18899

FEE \$40.00

Evelyn Biehn
By Dorothy G. Williams County Clerk

Exhibit A. Page 3

71852

11-26-93/10:12 AM/D

Vol. 213 Page 31244

RETURN TO: Talon Land Corporation 26800 Modoc Point Rd. Chiloquin, OR 97524	TAX STATEMENT TO: Talon Land Corporation 26800 Modoc Point Rd. Chiloquin, OR 97524	CLERK'S STAMP:
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71852
 -WARRANTY DEED-

WILLIAM E. RAY and KAREN M. RAY, husband and wife, Grantors, convey and warrant to TALON LAND CORPORATION, an Oregon corporation, Grantee, the following described real property situate in Klamath County, Oregon, free of encumbrances except as specifically set forth herein, to-wit:

Government Lots 17, 19, 23 and 24 in Section 5, Township 26 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon. TOGETHER WITH an easement for ingress and egress as created by Warranty Deed dated March 20, 1973, recorded December 26, 1974 in Volume M74, page 16281, Microfilm Records of Klamath County, Oregon, to-wit:

Beginning at a point about 7 1/2 feet from the Northwest corner of the following described tract of real property: The N 1/4 NW 1/4 SW 1/4 (Government Lot 20), Section 4, Township 26 South, Range 7, East of the Willamette Meridian, Klamath County, Oregon; thence South 20 feet; thence East to the old Dalles-California Highway; thence Northerly along the boundary of said highway a distance of about 20 feet thence Westerly to the point of beginning.

The easement for ingress and egress as it is laid up the ground is also described as follows:

Situated in the N 1/4 NW 1/4 SW 1/4 (Government Lot 20) of Section 4, T36S, R7EWM, Klamath County, Oregon. The Northerly line of a 20.00 foot easement. More particularly described as follows: Beginning at a point on the Westerly right of way of the Modoc Point Highway, as marked by a 5/8 inch iron pin with a Tru-Line Surveying plastic cap, from which the Northwest corner of said Section 4 bears N04°13'57" W 2650.69 feet; thence S81°12'16" W 221.42 feet to a 5/8 inch iron pin with Tru-Line Surveying plastic cap; thence continuing S81°12'16" W to the West line of said Section 4.

which the Grantors convey to the Grantee without warranty.

SUBJECT TO AND EXCEPTING:

- (1) 1993-94 taxes are now a lien but not yet payable;
- (2) reservations, restrictions, easements and rights of way of record and those apparent upon the land.

The true and actual consideration for this transfer is Ninety Thousand and No/100ths (\$90,000.00) DOLLARS.

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 use.

Dated this 14th day of September, 1993.

William E. Ray
Karen M. Ray

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Robert S. Hamilton the 30th day of October A.D., 19 95 at 1:48 o'clock PM., and duly recorded in Vol. 495 of Mortgages on Page 29578.

FEE \$30.00

By Bernetha G. Letsch, County Clerk
Annelle Mueller