

MEMORANDUM OF SUBLEASE

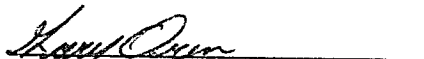
R-48782


KNOW ALL MEN by these presents that on July 22, 1996, Duane Blackman, as Sub-Lessor and Gary Orem and Mark Johnson as Sub-Lessee, made and entered into a certain Sub-Lease Agreement wherein Sub-Lessor agreed to lease to Sub-Lessee and the latter agreed to lease from Sub-Lessor the real property in Klamath County, Oregon, the legal description of which is attached hereto as Exhibit "A" and incorporated herein by reference.

The term of the lease commences on July 22, 1996 and ends on June 29, 1999.

IN WITNESS WHEREOF the Lessor has executed this Memorandum on July 22, 1996.

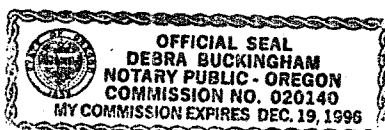

Duane Blackman



Gary Orem


Mark Johnson

STATE OF OREGON)
) ss.
County of Klamath)

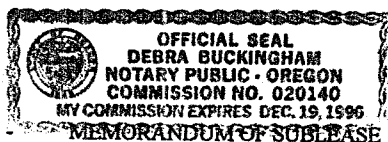
This instrument was acknowledged before me on the 22nd day of July, 1996, by Duane Blackman.





Notary Public of Oregon
My commission expires: 12-19-96

STATE OF OREGON)
) ss.
County of Klamath)

This instrument was acknowledged before me on the 22nd day of July, 1996, by Gary Orem.



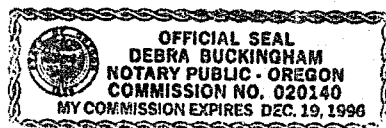

Notary Public of Oregon
My commission expires: 12-19-96

1 - MEMORANDUM OF SUBLEASE

22110

STATE OF OREGON)
) ss.
County of Klamath)

This instrument was acknowledged before me on the 22nd day of July, 1996, by Mark Johnson.



Debra Buckingham
Notary Public of Oregon
My commission expires: 12/19/96

After Recording Return to:
James R. Uerlings
Boivin, Jones, Uerlings, DiIaconi & Oden
110 North 6th Street
Klamath Falls, OR 97601

Parcel Two: That portion of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ OF Section 12, Township 39 S. R. 9 E.W.M. more particularly described as follows, to-wit: Beginning at a point on the West right of way line of the Klamath Falls-Merrill Highway, which point bears West 30.0 feet and South a distance of 935 feet from the East one-quarter corner of said Section 12; thence N. 89°21'W. along the North boundary of that certain parcel conveyed to Harold M. Rush, Jr. by Deed Volume 337, Page 632, and the North line of Blocks 5, 6 and 7 of Kerns Tracts a distance of 1,297.57 feet, more or less to a point on the West line of said NE $\frac{1}{4}$ SE $\frac{1}{4}$, said point also being the NW corner of Lot 1, Block 7, KERNS TRACTS: thence N. along said West line of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ a distance of 865.7 feet, more or less, to the Southerly right of way line of the O.C. & E. Railroad; thence S. 66°49' E., along said right of way line a distance of 1,407.1 feet, more or less, to the West right of way line of the Klamath Falls-Merrill Highway; thence S. along said right of way line, a distance of 304.0 feet, more or less, to the point of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title the 23rd day
of July A.D., 19 96 at 11:06 o'clock AM., and duly recorded in Vol. M96,
of Deeds on Page 22109.

FEE \$40.00

Bernetha G Latsch, County Clerk

By [Signature]