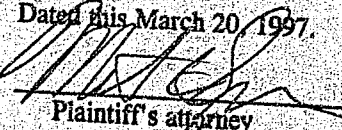


NOTICE OF PENDENCY OF AN ACTION

Pursuant to ORS 93.740, the undersigned states:

1. As plaintiff(s), Train Mountain Foundation has filed an action in the Klamath County Circuit Court, Case No. 9701192CV.
2. The defendant(s) is/are: Luis DeBarraicua, Successor Trustee of the St. John Family Trust and Over the Hill Live Steam Club, Inc.
3. The object of the action is: To set aside a fraudulent conveyance.
4. The description of the real property to be affected is:
See attached Exhibit "A"

Dated this March 20, 1997.

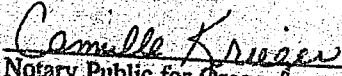

Plaintiff's attorney

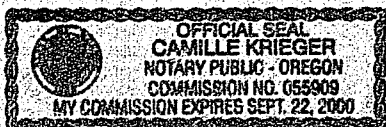
RET. Name: Michael L. Spencer
Address: 419 Main Street
Klamath Falls, OR 97601
Phone No.: (541) 883-7139

STATE OF OREGON)

County of Klamath) ss.

The foregoing instrument was acknowledged before me this March 20, 1997 by Michael L. Spencer.


Notary Public for Oregon
My commission expires: 9-22-2000



PARCEL II:

A parcel of land situated in Government Lots 31 and 36 of Section 4 and Government Lots 2 and 7 of Section 9, all in Township 35 South, Range 7 East of the Willamette Meridian, in the County of Klamath, State of Oregon, being more particularly described as follows:

Beginning at a point on the Section Line common to said Sections 4 and 9 from which the 1 corner common to said Sections 4 and 9 bears South 89° 38' 24" West a distance of 280.00 feet; thence from said point of beginning South 94° 17' feet; thence East 502.11 feet to a point on the Westerly right of way line of U.S. Highway No. 97; thence North 04° 02' 34" East along said Westerly right of way line 2273 feet, more or less, to a point on the North line of said Government Lot 31; thence West along said North line of Government Lot 31, 187 feet, more or less, to the Easterly right of way line of the South Chilcoquin State Highway; thence Southerly and Westerly along said Easterly and Southerly right of way line of said South Chilcoquin State Highway to a point that is North of the point of beginning; thence South 412 feet to the point of beginning.

Subject, however, to the following:

1. Reservations of all subsurface rights, except water, for the heirs of Esther Stokes as disclosed by deed, dated September 19, 1957, recorded September 26, 1957 in Volume 294 at page 481, between the United States of America and Leroy Gienger and Elvine Gienger. (Portions of Lots 2 and 7, Section 9)
2. The right of way to Pacific Telephone and Telegraph Company as disclosed by deed, dated September 19, 1957, recorded September 26, 1957 in Volume 294 at page 481, between the United States of America and Leroy Gienger and Elvine Gienger. (Portions of Lots 2 and 7, Section 9).
3. Terms and provisions as set forth in Land Status Report recorded March 3, 1959, in Deed Volume 310 at page 239, Records of Klamath County, Oregon. (Portions of Lots 31 and 36, Section 4).
4. Reservations, including the terms and provisions thereof, as set forth in deed from the United States of America to John Cole, et al, recorded August 25, 1961, in Deed Volume 329 at page 115, Records of Klamath County, Oregon. (portions of Lots 31 and 36, Section 4)
5. Reservations, including the terms and provisions thereof, as set forth in deed from the United States of America to John Cole, et al, recorded April 25, 1961, in Deed Volume 329 at page 113, Records of Klamath County, Oregon. (portions of Lots 31 and 36, Section 4).
6. Rights of the public in and to that portion of the above property lying within the limits of roads and highways. (Portions of Lots 31 and 36, Section 4).
7. Reservation of 50% of minerals, gas and oil as disclosed by deed from Amy Jackson to Carl Dawson, dated November 17, 1958, recorded November 25, 1948, in Volume 306 at page 720. (Portions of Lot 26, Section 4).
8. An easement created by instrument, including the terms and provisions thereof.

Dated : May 22, 1968 Book: M-68 Page : 5968
 Recorded : June 28, 1968
 In Favor of : Pacific Power & Light Company
 NW 1/4 of SE 1/4 of Section 4, Township 35 South, Range 7 (No exact location given).

9. As disclosed by the assessment and tax roll, the premises herein have been specially assessed for farm use. If the land becomes disqualified for this special assessment under the statutes, an additional tax, plus interest and penalty, will be levied for the number of years in which this special assessment was in effect for the land.

PARCEL III:

A parcel of land situated in Government Lot 36, T35S R7E Section 4, more particularly described as follows:

Beginning at a 5/8" iron pin marking the South one-quarter corner of said Section 4, thence N69°38'24"E along the South line of said Section 4, 280.00 feet to a 5/8" iron pin, thence North 412.17 feet to a 5/8" iron pin on the Southerly right of way line of the South Chilcoquin State Highway #421, thence S84°04'09"W along said Southerly right of way line 281.44 feet to a 5/8" iron pin, thence S00°00'30"W 384.85 feet to the point of beginning containing 2.56 acres more or less.

Subject to an easement 60 feet in width, measured at right angles, for purposes of ingress and egress more particularly described as follows:
 The Westerly 60 feet of the described property.

EXHIBIT "A" (Continued...)

PARCEL IV:

A parcel of land situated in Government Lot 2 T35S R7E, Section 9, more particularly described as follows:

Beginning at the Northwest corner of said Government Lot 2, said point of beginning also being the North one-quarter corner of said Section 9, thence N89°38'24"E along the North line of said Section 9 280.00 feet, thence South 311.14 feet, thence S89°38'24"W 280.05 feet more or less to the West line of said Government Lot 2, thence N00°00'30"E along the West line of said Government Lot 2 311.14 feet to the point of beginning, containing 2.00 acres more or less.

Subject to an easement 60 feet in width, measured at right angles, for purposes of ingress and egress more particularly described as follows: The Westerly 60 feet of the above described property.

PARCEL V:

All of Lot 35 lying South of the South Chiloquin State Highway, located in Section 4, Township 35 South, Range 7 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

SUBJECT TO: 1) Rights of the public in and to any portion of the herein described premises lying within the boundaries of roads or highways. 2) Subject to rules and regulations of Fire Patrol District. 3) Regulations, including levies, assessments water and irrigation rights and easements for ditches and canals, of Modoc Point Irrigation District. 4) Terms and provisions as set forth in Land Status Report recorded 3-3-59 in Book 310 at page 239, Deed Records, Klamath County, Oregon, as disclosed by Deed Recorded in Book 335 at page 334, Deed Records, Klamath County, OR. 5) Reservations, including the terms and provisions thereof, as set forth in Deed recorded 4-25-61 in Book 329 at page 113, Deed Records of Klamath County, Oregon. 6) Easements, including the terms and provisions thereof, recorded 8-8-86, in Book M-86 at page 14044, Klamath County Records.

FOR RECORDER'S USE

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Volney F. Merin Jr the 12th day
of June A.D. 19 94 at 10:35 o'clock A M., and duly recorded in Vol. M94
of Deeds on Page 1150
Evelyn Biehn County Clerk
By [Signature]

FEE \$40.00

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Michael L. Spencer the 21st day
of March A.D. 19 97 at 9:49 o'clock A M., and duly recorded in Vol. M97
of Mortgages on Page 8343

FEE \$20.00

Bernie G. Letsch County Clerk

by Kathleen Ross