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Vol. 1798 Page 15920

Until a change is requested,
mail all tax statements to:

No change.

After recording, return to:

Joel Auger

Hagen, Dye, Hirschy & DiLorenzo, P.C.

Tenth Floor, Pioneer Tower

888 S. W. Fifth Avenue

Portland, Oregon 97204-2024

K-51992
**MODIFICATION OF LEASE AGREEMENT
AND LANDLORD'S CONSENT TO LESSEE'S ASSIGNMENT**

AMONG: JAMES M. BARNES, Trustee, or his Successors in Trust, under the Barnes Loving Trust, dated May 17, 1990, and any amendments thereto ("Landlord").

AND: FRANK H. WALLACE and PEGGY L. WALLACE, ("Lessee/Assignor").

DATED: March 17, 1998.

RECITAL:

Landlord is the owner of certain real property, which Landlord has leased to Lessee/Assignor pursuant to a Lease Agreement dated May 9, 1984, which is recorded at Vol. 1784, Page 8418, Official Records of Klamath County, Oregon (the "Lease Agreement"). The Landlord received its interest in the Lease Agreement pursuant to an assignment to Loving Trust of Lease dated July 10, 1990, recorded at Vol. 1910, Page 20287 Official Records of Klamath County, Oregon.

Lessee/Assignor is selling its business to Rogue Aggregates, Inc. ("Assignee") and, accordingly, desires to assign its interest in the Lease Agreement to Assignee. It has come to the attention of all of the parties of this Agreement and Assignee that the legal description contained

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on page 1 of the Lease Agreement erroneously omits real property which was intended to be included in the leasehold under the Lease Agreement. Accordingly, the parties to this Agreement desire that (1) the Lease Agreement be amended to include the additional real property, and (2) the Landlord consent to Lessee/Assignor's assignment of its Lessee's interest in the Lease Agreement to the Assignee (the "Assignment"). In consideration of the Assignment, Landlord is willing to release Lessee/Assignor from any and all obligations under the Lease Agreement.

AGREEMENT:


1. Modification of Lease Agreement. The Lease Agreement is hereby modified to include the real property described in Exhibit A attached hereto and incorporated by this reference. The property described in Exhibit A shall be a portion of the leasehold under the Lease Agreement, in addition to the other real property described in the Lease Agreement and as specifically set forth in the Lease Agreement.

2. Consent of Landlord and Release of Lessee. Landlord hereby consents to the Assignment. This Agreement shall be binding on and operate to the benefit of the parties and their respective heirs, legal and personal representatives, successors and assigns. Upon the effective date of the Assignment, Landlord hereby forever releases Lessee/Assignor from any and all terms, covenants and obligations under the Lease Agreement, including but not limited to the performance of or failure to perform by Assignee.

3. Representation. This document has been prepared by the law firm of Hagen, Dye, Hirschy & DiLorenzo, P.C. on behalf of Lessee/Assignor. Should the Landlord desire legal counsel, the Landlord is hereby advised to seek legal counsel of its choice.

AGREED TO IN FORM AND CONTENT:

LANDLORD


JAMES M. BARNES, Trustee, or his
Successors in Trust, under the Barnes Loving
Trust, dated May 17, 1990

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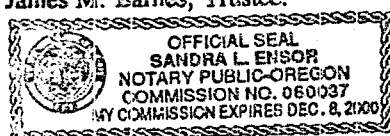
LESSEE/ASSIGNORS

Frank H. Wallace
FRANK H. WALLACE

Peggy L. Wallace
PEGGY L. WALLACE

STATE OF OREGON)
) ss.
County of Klamath)

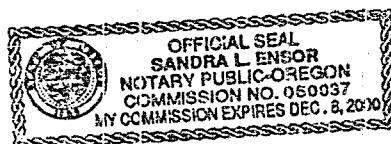
This instrument was acknowledged before me on MARCH 17, 1998, by
James M. Barnes, Trustee.



Sandra L. Ensor
Notary Public for Oregon

STATE OF OREGON)
) ss.
County of Klamath)

This instrument was acknowledged before me on MARCH 17, 1998, by
Frank H. Wallace.



Sandra L. Ensor
Notary Public for Oregon

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LESSEE'S ASSIGNMENT

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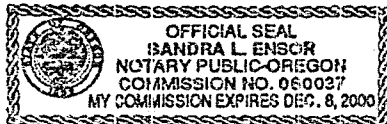
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March 17, 1998

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STATE OF OREGON)
) ss.
County of Klamath)

This instrument was acknowledged before me on MARCH 17, 1998, by
Peggy L. Wallace.



Sandra L. Ensor
Notary Public for Oregon

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LESSEE'S ASSIGNMENT

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EXHIBIT A

LEGAL DESCRIPTION

PARCEL 2

A parcel of land situated in the NE1/4 of the SW1/4 of Section 4, Township 41, South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at a 5/8" rebar marking the Center-South 1/16 corner of Section 4 from which the 1/4 corner of Sections 4 and 9 bears South 00 degrees 32' 02" West 1303.17 feet; thence North 00 degrees 32' 02" East 878.93 feet, along the North-South centerline of Section 4, to a 1/2" rebar; thence North 89 degrees 31' 06" West 150.00 feet to a 1/2" rebar; thence South 00 degrees 32' 02" West 878.93 feet to a 1/2" rebar on the East-West centerline of the SW1/4 of Section 4; thence South 89 degrees 31' 06" East 150.00 feet, along said East-West centerline of the SW1/4 of Section 4, to the point of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of First American Title the 11th day
of May A.D., 19 98 at 11:56 o'clock A. M., and duly recorded in Vol. M98,
of Deeds on Page 15920.

FEE \$50.00

By Bernetha G. Letsch, County Clerk
Kathleen Ross

EXHIBIT A