

MEMORANDUM OF AGREEMENT

DATED: July _____, 1998

BETWEEN: Lost River Land & Cattle, Inc., an
Oregon Corporation

"Grantor"

AND: Nicholas A. Grumbine

"Grantee"

TO ALL THOSE PRESENT, PLEASE TAKE NOTE THAT: Pursuant to an Agreement Regarding Deed dated May 20th, 1998, Grantor granted to Grantee an interest in the southerly one half of the following described real property situated in Klamath County, Oregon, to-wit:

SEE EXHIBIT A, ATTACHED HERETO AND INCORPORATED
HEREIN BY REFERENCE AS IF FULLY SET FORTH

The Agreement Regarding Deed grants to Grantee an interest in the southerly one half of the property along with access thereto and present exclusive use thereof.

GRANTOR:
LOST RIVER LAND & CATTLE, INC.

GRANTEE:

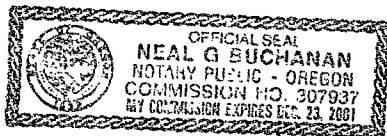
By: 


STATE OF OREGON)

) ss.

County of Klamath)

Personally appeared before me Gary Hart and acknowledged the foregoing instrument to be his voluntary act.




Notary Public for Oregon
My Commission expires: 12-23-01

20-
20- coll.

36491

STATE OF OREGON)
) ss.
County of Klamath)

Personally appeared before me the above-named Nicholas A. Grumbine and
acknowledged the foregoing instrument to be his voluntary act.



Dolores Down
Notary Public for Oregon
My Commission expires: 5-23-2002

Until further notice all tax statement should be sent to the following address:

Lost River Land & Cattle, Inc.
2691 Lakeshore Drive, Klamath Falls, OR 97601

After recording return to:

Arie C. DeGroot
Attorney at Law
303 Pine Street, Klamath Falls, OR 97601

EXHIBIT "A" LEGAL DESCRIPTION

In Township 39 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

Section 27: That portion of the W1/2 of E1/2 (which includes Government Lots 3 and 5) lying South of that portion conveyed to Weyerhaeuser Timber Co. by Deed recorded May 5, 1928, Deed Volume 80, page 275, Deed Records of Klamath County, Oregon, and Government Lot 4.

Section 34: Government Lots 1, 2, 3, 4, 5, 6, 7, 8 and 12

Section 35: Government Lot 1

Section 27: Beginning at a point on the center section line of Section 27, Township 39 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, which point is common with the center section line and the Southeasterly right of way boundary of the Klamath Falls-Ashland Highway (Oregon 66) and bears South a distance of 494.0 feet, more or less, from the quarter section corner common to Section 22 and 27, Township, Range and Meridian aforesaid; thence continuing South along same center section line a distance of 2661.0 feet, more or less to the Northerly right of way boundary of the Weyerhaeuser Timber Company road (Volume 80, page 275, Deed Records of Klamath County, Oregon); thence North 55 degrees 21' East along same, a distance of 36.47 feet; thence North, parallel with the aforesaid center section line a distance of 2667.2 feet, more or less, to the Southeasterly right of way boundary of aforesaid Klamath Falls-Ashland Highway; thence South 48 degrees 08' West along same, a distance of 40.28 feet more or less, to the point of beginning, being a 30 foot strip of land for private road purposes.

EXCEPTING THEREFROM that portion conveyed to the State of Oregon, by and through its Department of Transportation, Highway Division by Deed recorded May 17, 1989 in Volume M89, page 8560, Microfilm Records of Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of ARIE C. DeGroot
of October A.D., 19 98 at 3:54 o'clock P. M., and duly recorded in Vol. M98
of Deeds on Page 36490

FEE \$40.00

By Bernetha G. Letsch, County Clerk