

AFTER RECORDING MAIL TO:

AMERITITLE

222 S. 6th Street

Klamath Falls, OR 97601

Collection No. 50953

Vol M00 Page 27460

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mtc 50953-KR

MEMORANDUM OF AGREEMENT

TAKE NOTICE that on this date John Rolland McMillan and Beatrice Yvonne McMillan, husband and wife, as Sellers, and Leslie D. Sedlacek and Andrea Sedlacek, husband and wife, as Buyers, have entered into an Agreement for the sale and purchase of that certain real property situated in Klamath County, Oregon, described as follows:

PARCEL 1:

All that portion of the NE 1/4 of the SE 1/4 lying West of the Bly Mountain Cut-off Road and the N 1/2 of the SE 1/4 of the SE 1/4 lying West of Bly Mountain Cut-off Road and the SW 1/4 of the SE 1/4, SAVING AND EXCEPTING THEREFROM the E 1/2 of the SE 1/4 of the SW 1/4 of the SE 1/4 all in Section 34, Township 38 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 2:

The SE 1/4 of the NW 1/4 and the E 1/2 of the SW 1/4 of Section 34, Township 38 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, and a tract of land situated in the S 1/2 of the S 1/2 of the SE 1/4 of Section 34, Township 38 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, and in Government Lots 1 and 2 of Section 3, Township 39 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at the quarter corner common to said Sections 34 and 3; thence North 89 degrees 54' 49" East 990.67 feet to the Southwesterly corner of the E 1/2 of the SE 1/4 of the SW 1/4 of the SE 1/4 of said Section 34; thence North 00 degrees 35' 55" East 651.90 feet to the Northwesterly corner of the said E 1/2 of the SE 1/4 of the SW 1/4 of the SE 1/4; thence along the North line of the S 1/2 of the S 1/2 of the SE 1/4 of said Section 34, South 89 degrees 55' 28" East 1152.54 feet to the Westerly right of way line of the Bonanza-Bly Mountain Cut-off Road; thence following the said right of way line, along the arc of a curve to the right (radius point bears South 54 degrees 34' 15" West 447.47 feet, central angle = 22 degrees 05' 57") 172.59 feet, South 13 degrees 19' 48" East 485.81 feet, and along the arc of a curve to the right (radius point bears South 76 degrees 40' 12" West 379.26 feet, central angle = 02 degrees 59' 24") 19.79 feet to a point on the North line of said Section 3; thence along said North line South 89 degrees 54' 49" West 295.08 feet to a point being South 89 degrees 54' 49" West 600.00 feet from the Northeast corner of said Section 3, said point also being the Northwest corner of that tract of land described in Book 248 at Page 464, Deed Records of Klamath County, Oregon; thence South 00 degrees 17' 27" East along the West line of said tract, 528.79 feet to a point on the Westerly right of way line

of said Bonanza-Bly Mountain Cut-off Road; thence following said right of way line, along the arc of a curve to the left (radius point bears South 51 degrees 32' 07" East 746.20 feet, central angle = 19 degrees 49' 04") 258.10 feet, and South 18 degrees 38' 49" West 324.80 feet to the Northeasterly corner of that tract of land described in Volume M71, Page 9999, Microfilm Records of Klamath County, Oregon; thence North 63 degrees 45' 03" West generally along an existing fence line, 549.83 feet to the Northwesterly corner of said tract, said Northwesterly corner being on the West line of said Government Lot 1; thence along said West line, North 00 degrees 16' 14" West 409.87 feet; thence North 80 degrees 58' 32" West 340.07 feet; thence North 00 degrees 35' 55" East 304.16 feet to a point 50.00 feet Southerly of, measured at right angles to, the North line of said Section 3; thence South 89 degrees 54' 49" West, parallel to said North line, 989.93 feet to the West line of Government Lot 2, thence North 00 degrees 15' 00" West 50.00 feet to the point of beginning.

SUBJECT TO:

1. Rights of the public in and to any portion of the herein described premises lying within the limits of streets, roads or highways.
2. The premises herein described are within and subject to the statutory powers, including the power of assessment and easements of Klamath Lake Grazing Fire Patrol.
3. The premises herein described are within and subject to the statutory powers, including the power of assessment and easements of Klamath Project.
4. The premises herein described are within and subject to the statutory powers, including the power of assessment and easements of Horsefly Irrigation.
5. Reservations, subject to the terms and provisions thereof, as contained in Patent recorded January 11, 1932 in Volume 96, Page 594, Deed Records of Klamath County, Oregon, to-wit:

 "Subject to any vested and accrued water rights for mining, agricultural, manufacturing or other purposes, and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws and decisions of courts; and there is reserved from the lands hereby granted a right of way thereon for ditches or canals constructed by the authority of the United States."
6. Certification of Water Rights, subject to the terms and provisions thereof; recorded June 4, 1979, Volume M79, Page 12769, Microfilm Records of Klamath County, Oregon.
7. State of Oregon Well Information Form, subject to the terms and provisions thereof; recorded November 24, 1997, Volume M97, Page 38475, Microfilm Records of Klamath County, Oregon.

---for a deferred payment price of \$262,500.00.

Mail tax statement to Buyers at: 22331 S.W. Gopher Valley Road, Sheridan,
Oregon 97378.

DATED: 7-26, 2000

John Rolland McMillan
John Rolland McMillan

DATED: July 26, 2000

Beatrice Yvonne McMillan
Beatrice Yvonne McMillan

DATED: 7/26, 2000

Leslie D. Sedlacek
Leslie D. Sedlacek

DATED: 7-26, 2000

Andrea Sedlacek
Andrea Sedlacek

STATE OF OREGON)

County of Klamath)

) ss.

On the date above, personally appeared the above John Rolland McMillan and Beatrice Yvonne McMillan, and acknowledged the foregoing instrument to be their voluntary act. Before me:



[Signature]
Notary Public for Oregon

STATE OF OREGON)

County of Klamath)

) ss.

State of Oregon, County of Klamath
Recorded 07/27/00, at 11:29a.m.
In Vol. M00 Page 27460
Linda Smith,
County Clerk Fee \$ 3.00

On the date above, personally appeared the above Leslie D. Sedlacek and Andrea Sedlacek, and acknowledged the foregoing instrument to be their voluntary act. Before me:



[Signature]
Notary Public for Oregon