

CORRECTION OF AGREEMENT, DEED AND MEMORANDUM OF CONTRACT
REGARDING ROCK ROYALTIES

WHEREAS, the undersigned, JAMES M. FLOWERS AND FREEDA M. FLOWERS, husband and wife (Sellers), sold certain real property described in Exhibit "A" attached hereto, according to a contract of sale dated the 15th day of June, 1993. Said contract of sale was to ROBERT G. FLOWERS and CHRISTY L. FLOWERS, husband and wife (Purchasers).

WHEREAS, a memorandum of contract regarding said contract of sale was recorded at Vol. M93, page 13978, Records of Klamath County, Oregon

WHEREAS, a deed reflecting transfer of such real property is being held by First American Title Company in reference to Order No. K-5193, said deed and contract of sale and other documents reflect that the undersigned have retained rights for our life in royalties and minerals;

WHEREAS, such documents also reflect that Sellers retained rights during our lives in the residence and shop located on the premises;

WHEREAS, a mistake was made regarding the term to which Sellers were entitled to receive royalties regarding the minerals and material removal from the subject real property, and intend by this document to retain Sellers' rights in the residence and shop building, but to clarify and correct the mistake regarding the rights to the royalties and minerals. As to the term of the rights to royalties for materials and minerals, it was intended that such rights terminate after a ten year period.

THEREFORE, the undersigned agree, state, grant, bargain, sell, transfer, and deliver as follows:

All of Sellers' right, title and interest in royalties or in minerals, rock and gravel located on and under the real property described in Exhibit "A" attached hereto, and referred to in paragraph 4.2 of said contract of sale shall terminate on June 15, 2003 at 11:59 p.m.

This grant and agreement does not affect rights during Sellers' right to possess during their life times in the residence and shop but is intended to terminate Sellers' rights in the rock royalties effective after June 15, 2003.

The consideration for the transfer contained herein is to correct mutual mistake of the parties.

X James M. Flowers
X Freeda M. Flower
X Robert G. Flowers
X Christy L. Flowers

STATE OF OREGON

] ss.

County of Klamath

The foregoing instrument was acknowledged before me this 27 day of July, 2000, by JAMES M. FLOWERS AND FREEDA M. FLOWERS, husband and wife.



Notary Public for Oregon
My Commission expires

STATE OF OREGON

] ss.

County of Klamath

The foregoing instrument was acknowledged before me this 27 day of July, 2000, by ROBERT G. FLOWERS and CHRISTY L. FLOWERS, husband and wife.



Notary Public for Oregon
My Commission expires

EXHIBIT "A"

Description of Property

A tract of land situated in the Southeast one-quarter of the Northeast one-quarter of Section 22, and the Northwest one-quarter of Section 23, Township 40 South, Range 8 East, Willamette Meridain, in Klamath County, Oregon, being more particularly described as follows:

Beginning at the North 1/16 corner common to Sections 22 and 23 from which the corner common to Sections 14, 15, 22 and 23 bears N. 00°44'10" W. 1328.77 feet; thence S. 89°55'07" W. 631.68 feet along the North line of the Southeast one-quarter of the Northeast one-quarter of said Section 22; thence S. 03°24'36" E. 124.78 feet; thence S. 20°14'07" E. 172.95 feet; thence S. 38°20'25" E. 412.59 feet; thence S. 51°28'03" E. 878.25 feet; thence S. 69°33'28" E. 318.80 feet; thence S. 80°56'47" E. 139.34 feet; thence S. 76°49'31" E. 475.69 feet; thence S. 88°00'19" E. 161.69 feet; thence N. 71°40'53" E. 116.82 feet; thence N. 50°37'56" E. 235.97 feet; thence S. 72°31'19" E. 195.61 feet to a point on the Northwestern right-of-way line of the Southern Pacific Railroad; thence N. 16°52'40" E. 30.00 feet along said Northwestern right-of-way line; thence leaving said right-of-way line N. 72°31'19" W. 107.24 feet; thence N. 51°42'36" W. 111.36 feet; thence N. 10°14'28" E. 141.22 feet; thence N. 02°39'46" W. 226.49 feet; thence N. 18°59'24" W. 725.06 feet; thence N. 34°10'10" W. 117.71 feet; thence West 1451.06 feet to the point of beginning.

State of Oregon, County of Klamath
 Recorded 08/02/00, at 2:46 p. m.
 In Vol. M00 Page 28321
Linda Smith,
 County Clerk Fee \$ 31⁰⁰

Return: Richard Fairclough
 280 Main St.
 K70