

**AMENDMENT AND ACKNOWLEDGMENT
REGARDING RIGHT OF FIRST REFUSAL**

DATE: January 24, 2001

PARTIES: JAMES K. WARD ("Jim")
1873 Park Avenue
Klamath Falls, OR 97601

GLN MANAGEMENT, INC. ("GLN")
12941 Swan Lake Road
Klamath Falls OR 97603

WARD'S KLAMATH FUNERAL HOME, INC. ("Ward's, Inc.")
1945 Main Street
Klamath Falls OR 97601

ETERNAL HILLS MEMORIAL GARDENS, INC. ("Eternal Hills")
4711 Highway 39
Klamath Falls OR 97603

RECITALS.

The parties include the signers of a document entitled "Right of First Refusal" dated April 17, 1991 and recorded in the Deed records of Klamath County beginning at Volume M91, page 10029, which document as hereinafter referred to as the "Right of First Refusal". The Right of First Refusal applied to certain real property located in Klamath County, Oregon, which is hereinafter referred to as the "real property." The Right of First Refusal also applies to personal property owned by Ward's, Inc., which is hereinafter referred to as the "personal property," and that business known as Ward's Klamath Funeral Home. Joyce Ward remains in title to the real property, although the real property has been sold by contract to GLN. A memorandum of the contract was recorded in the Deed records of Klamath County at Volume M90, page 22368. Ward's, Inc. continues to own the personal property used in the operation of the funeral home business known as Ward's Klamath Funeral Home, and continues to own the business known as Ward's Klamath Funeral Home. GLN has borrowed funds from US Bank and intends to execute a trust deed covering the real property in which GLN will be the grantor, AmeriTitle will be the trustee, and US Bank will be the beneficiary. The amount of the obligation secured by the trust deed is Three Hundred Seventy-five Thousand Dollars (\$375,000). The trust deed will be recorded on or before the 10th day of January, 2001. The transaction between GLN and US Bank involves a transfer of one (1) share of GLN stock to Jim, and the redemption of the remainder of the GLN stock by the corporation. After the above transactions, Jim will own all the shares of GLN. The shares of Wards' Inc. are owned by Jim and GLN.

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UPON RECORDING RETURN TO: Jerry Molatore, Attorney
426 Main Street
Klamath Falls, OR 97601


1. CHANGE OF ENTITY.

Eternal Hills acknowledges that the purchase of one (1) share of GLN stock by Jim constitutes a "change of entity" as described in paragraph two of the agreement provision of the Right of First Refusal, and is therefore a permitted transaction not subject to the provisions of the Right of First Refusal, and that the trust deed described above will therefore be superior in priority to the Right of First Refusal, provided that said trust deed is recorded on or before the 10th day of January, 2001.

2. CONTINUATION.

The parties acknowledged that the Right of First Refusal continues to apply to the real property, personal property and the business as set forth in the Right of First Refusal.

DATE: 1/26/01, 2001



GLN MANAGEMENT, Inc.

By: LAWRENCE C. JESPERSEN, JR., President

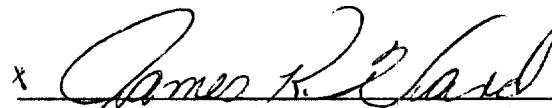
DATE: 1-24, 2001



ETERNAL HILLS MEMORIAL GARDENS, INC.

By: TIM LANCASTER, Vice President

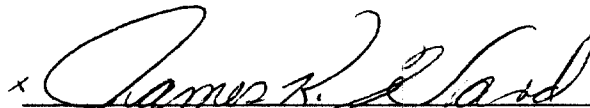
DATE: January 26, 2001



WARD'S KLAMATH FUNERAL HOME, INC.

By: JAMES K. WARD, President

DATE: January 26, 2001



JAMES K. WARD

STATE OF OREGON)
) ss.
 County of Klamath)

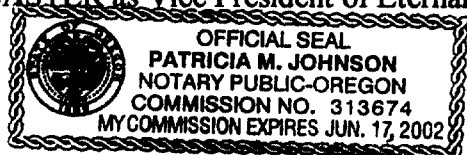
The foregoing instrument was acknowledged before me on January 26, 2001, by
LAWRENCE C. JESPERSEN, JR. as President of GLN Management, Inc.



Kristil Redd
 Notary Public for Oregon
 My Commission Expires: 11/16/2003

STATE OF OREGON)
) ss.
 County of Klamath)

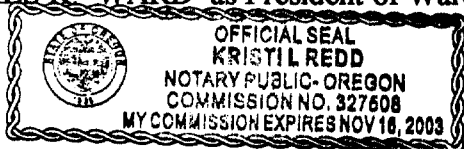
The foregoing instrument was acknowledged before me on January 24, 2001, by TIM
LANCASTER as Vice President of Eternal Hills Memorial Gardens, Inc.



Patricia M. Johnson
 Notary Public for Oregon
 My Commission Expires: _____

STATE OF OREGON)
) ss.
 County of Klamath)

The foregoing instrument was acknowledged before me on January 26, 2001, by
JAMES K. WARD as President of Ward's Klamath Funeral Home, Inc.



Kristil Redd
 Notary Public for Oregon
 My Commission Expires: 11/16/2003

STATE OF OREGON)
) ss.
 County of Klamath)

The foregoing instrument was acknowledged before me on January 26, 2001, by
JAMES K. WARD



Kristil Redd
 Notary Public for Oregon
 My Commission Expires: 11/16/2003

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State of Oregon, County of Klamath
 Recorded 02/01/01, at 3:18 p. m.
 In Vol. M01 Page 4174
 Linda Smith,
 County Clerk Fee \$ 31.00