

MEMORANDUM OF SALE

BE IT REMEMBERED that on the 30th day of August, 2001, ERNST BROTHERS, L.L.C., an Oregon limited liability company, did enter into a contract of sale with DAVID E. STAUB, as to an undivided one-fifth interest, BRAD W. STAUB, as to an undivided one-fifth interest, KATHY OATES and JOE OATES, JR., wife and husband, as to an undivided one-fifth interest, RICK MICHAEL HOPKINS, as to an undivided one-fifth interest, and BOB CHARLES HAYNES, as to an undivided one-fifth interest, as tenants in common, conveying the following described real property from ERNST BROTHERS, L.L.C., an Oregon limited liability company, to DAVID E. STAUB, as to an undivided one-fifth interest, BRAD W. STAUB, as to an undivided one-fifth interest, KATHY OATES and JOE OATES, JR., wife and husband, as to an undivided one-fifth interest, RICK MICHAEL HOPKINS, as to an undivided one-fifth interest, and BOB CHARLES HAYNES, as to an undivided one-fifth interest, as tenants in common, which real property is more particularly described as follows, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO.

TAX INFORMATION: Code 055; Map No. R-2708021CB-02700-000; Key No. R168614
Code 055; Map No. R-2708021CB-02600-000; Key No. R168507

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS, WHICH, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND WHICH LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND EXISTENCE OF FIRE PROTECTION FOR STRUCTURES.

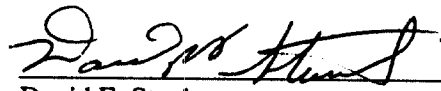
THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

The true and actual consideration paid for this transfer, stated in terms of dollars is \$60,000.00.

Until a change is requested, all tax statements shall be sent to the following address:

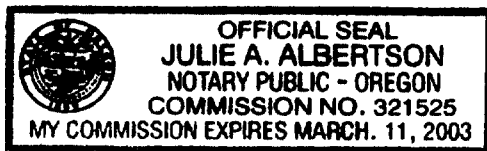
David E. Staub, et al
P.O. Box 671
Lakeview, OR 97630

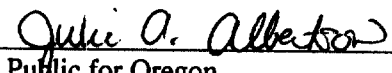
DATED this 27th day of December, 2001.


David E. Staub

STATE OF OREGON, County of Lake) ss.

On this 27th day of December, 2001, personally appeared before me the above named David E. Staub and acknowledged the foregoing instrument to be his voluntary act and deed.




Notary Public for Oregon
My Commission Expires: 03-11-03

After Recording Return To

James C. Lynch, Attorney at Law
P.O. Box 351
Lakeview, OR 97630

MEMORANDUM OF SALE

EXHIBIT "A"**Parcel 1:**

Lots 5 and 6, Block 1, CHEMULT, in the County of Klamath, State of Oregon, TOGETHER WITH a non-exclusive perpetual easement over and across Lot 4, Block 1, for the following purposes: Access to said Lots 5 and 6 from U.S. Highway 97 and parking of vehicles.

Parcel 2:

The Northerly 40 feet of Lots 8 and 9, Block 1, CHEMULT, and Lot 10, Block 1, CHEMULT, in the County of Klamath, State of Oregon.

SUBJECT TO all easements, reservations, restrictions and rights of way of record or apparent on the ground, including but not limited to the following:

1. Conditions, restrictions, and/or setbacks, as shown on the recorded plat of Chemult.
2. An easement created by instrument, including the terms and provisions thereof, dated May 12, 1983, in favor of Telephone Utilities of Eastern Oregon, Inc., an Oregon Corporation, for underground telephone facilities, recorded September 13, 1983, in Book M-83 at Page 15593 in the Klamath County Deed Records.
3. An easement and agreement for water, including the terms and provisions thereof, dated April 11, 1984, between Rutherford John Burkett and Mary Ann Burkett, and Ethel Jessup, recorded April 23, 1984 in Book M-84 at Page 6651 in the Klamath County Deed Records.
4. An easement agreement, including the terms and provisions thereof, dated August 5, 1991, between John and Mary Burkett and Crescent Oil Co., Inc., for sewage disposal system, recorded August 6, 1991 in Book M-91 at Page 15342 in the Klamath County Deed Records.
5. An easement created by instrument, including the terms and provisions thereof, dated July 26, 1991, for a utility easement, recorded August 6, 1991, in Book M-91 at Page 15344 in the Klamath County Deed Records.
6. An easement created by instrument, including the terms and provisions thereof, dated February 13, 2001, in favor of State of Oregon, by and through its Department of Transportation, for Permanent Slope Easement, recorded February 22, 2001, in Book M-01 at Page 7013 in the Klamath County Deed Records.

Scriveners Correction of the above Permanent Slope Easement was recorded March 19, 2001, in Book M-01 at Page 10788 in the Klamath County Deed Records.

Tax Information: **Code 055; Map No. R-2708021CB-02700-000; Key No. R168614**
 Code 055; Map No. R-2708021CB-02600-000; Key No. R168507