

MEMORANDUM OF CONTRACT OF SALE

After recording, please return to:

Robert S. Lovlien
Bryant Lovlien & Jarvis
PO Box 1151
Bend, OR 97709-1151

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

Marcy Garber
1788 Main Street
Lebanon, OR 97355

State of Oregon, County of Klamath
Recorded 07/08/2002 1.51 p. m.
Vol M02, Pg 38772-74
Linda Smith, County Clerk
Fee \$ 21.00 # of Pgs 3

The true consideration for this transfer is \$220,000.00.

Pursuant to a Contract of Sale dated June 28, 2002, Jack E. McKenzie, Successor Trustee of the Kenneth A. McKenzie and Dessie E. McKenzie Family Trust u/t/d 5/11/94, Seller, sold to MGM and Associates, INC., an Oregon corporation, Purchaser, the following-described real property located in Klamath County, Oregon:

Out Lot E and Out Lot 22, ORIGINAL TOWN OF CRESCENT, according to the official plat thereof on file in the office of the Clerk of Klamath County, Oregon, ALSO the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 30, Township 24 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

EXCEPTING THEREFROM that portion conveyed by deed recorded in Book 294, Page ~~598~~ 598, Deed Records of Klamath County, Oregon.

SAVE AND EXCEPT that portion deeded to Klamath County for road purposes June 24, 1966 in Book M-53 at Page 6470, and that portion of Airport Drive lying in the West corner of the NW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 30, Township 24 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

SUBJECT TO:

1. As disclosed by the assessment and tax roll, the premises herein have been specially assessed as forest land. If the land becomes disqualified for this special assessment under the statute, an additional tax plus interest may be levied for the last five or lesser number of years in which the land was subject to this special land use assessment.
2. The rights of the public in and to that portion of the herein described property lying within the limits of the roads or highways.
3. Any adverse claim based on the assertion that any portion of the subject land has been removed from or brought within the subject land's boundaries by the process of accretion or reliction or any change in the location of the Deschutes River.

1 - MEMORANDUM OF LAND SALE CONTRACT

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BRYANT, LOVLIE & JARVIS, PC
ATTORNEYS AT LAW ESTABLISHED 1915

591 SW Mill View Way PO Box 1151 Bend, Oregon 97709-1151 (541) 382-4331 fax (541) 389-3386 www.bryantlovlienjarvis.com
24 SW Fifth Street PO Box 650 Madras, Oregon 97741 (541) 475-2757 fax (541) 475-2962

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4. Any adverse claim based on the assertion that any portion of the subject land is now or at any time has been below the ordinary high water line of the Deschutes River.

5. Rights of the public, riparian owners and governmental bodies as to the use of the waters of the Deschutes River and the natural flow thereof on and across that portion of the subject land lying below the high water line of said waterway.

6. An easement created by instrument, including the terms and provisions thereof, dated August 29, 1968, recorded September 20, 1968, in Book M68, Page 8578, in favor of Kenneth A. McKenzie and Desala E. McKenzie, husband and wife, Grantors, as follows: "... there is specifically reserved unto the Grantors, their heirs and assigns, the privilege of using said property for roadway purposes, ingress and egress."

7. An easement created by instrument, including the terms and provisions thereof, dated April 22, 1982, recorded August 23, 1982, in Book M-82, Page 10894, in favor of Midstate Electric Cooperative, Inc., a cooperative corporation for electric transmission and/or distribution line or system.

8. An easement created by instrument, including the terms and provisions thereof, dated September 25, 1988, recorded October 4, 1988, in Book M-89, Page 18728, in favor of Cascade Natural Gas Corporation for ingress and egress (affects Out Lot 22).

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.

SELLER:

Kenneth A. McKenzie and
Dessie E. McKenzie Family Trust

PURCHASER:

MGM AND ASSOCIATES, INC.

 JACK E. MCKENZIE, Successor Trustee

 MARCY GARBER, President

DESCHUTES
STATE OF OREGON, County of ~~Klamath~~, ss:

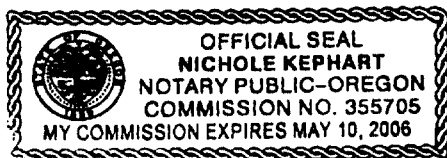
The foregoing instrument was acknowledged before me this 28th day of June, 2002, by Jack E. McKenzie, Successor Trustee



Susan Kaye Bozeman
NOTARY PUBLIC FOR OREGON
My commission expires: 2-12-03

Linn n.k.
STATE OF OREGON, County of ~~Klamath~~, ss:

The foregoing instrument was acknowledged before me this 2nd day of July, 2002, by Marcy Garber as President of MGM and Associates, Inc.



Nichole Kephart
NOTARY PUBLIC FOR OREGON