

MANAGEMENT AGREEMENT (AGREEMENT) Dated as of the last date set opposite the signatures of the parties, among PAUL G. CLARK (PAUL), DOROTHY LOU EWING (DOROTHY), JOHN W. CLARK (JOHN), HELEN B. BEARD (HELEN), MARY CLARK WALKER (MARY) and DONALD M. CLARK (DON):

W I T N E S S E T H:

I. RECITALS: The parties recite as follows:

- A. The parties are Paul, Dorothy, John, Helen, Mary and Don.
- B. The parties are the heirs at law of Merle A. Clark, Deceased (Merle).
- C. The parties are entitled to distribution, in equal shares, of the assets subject to probate administration in the matter of the Estate of Merle A. Clark, Deceased, Klamath County Circuit Court Probate No. 81-26 (Estate).
- D. Don is the duly appointed, qualified, and acting Personal Representative of the Estate.
- E. Closing of the Estate and distribution of the assets of the Estate as soon as possible is in the interests of the parties.
- F. The Estate can be closed and distributed only if one of the parties manages all of the assets distributable from the Estate until such time as the Estate's long term encumbrances are paid or assumed by a buyer.
- G. The parties desire Don to act as manager of the assets distributed to the parties from the Estate (Property) until such time as Merle's long term encumbrances against the Property are paid or are assumed by a buyer.
- H. Don has agreed to manage the Property for the parties.
- I. The parties have agreed upon Don managing the Property on the covenants, terms and provisions set forth herein.

II. AGREEMENT: The parties agree as follows:

- A. Paul, Dorothy, John, Helen Mary and Don each for himself, or herself, appoint Don to act as manager for each party to manage the Property on the covenants, terms, and provisions contained in this Agreement.
- B. Don's duties and responsibilities concerning his management of

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the Property are as follows:

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1. Use best efforts to collect income and principal of the Property as it becomes due, distributable, or called for payment.
2. Pay from gross revenues collected from the Property all reasonable and necessary sums pertaining to the management of the property, including, without limiting the generality of the foregoing, the following: All sums that may become due on any loan or encumbrance affecting the Property; all real property taxes; and other taxes or assessments levied or assessed against the Property; income taxes; all insurance premiums insuring the Property or the parties against loss; cost of necessary maintenance and repairs, all necessary operating expenses, and such other expenses as may be, in the discretion of Don, reasonable and necessary, including accountants' fees for the preparation of necessary income tax returns and reports to the parties, and attorney fees for legal assistance where required.
3. Maintain adequate records of all moneys received and disbursed which records shall be open for inspection by any party at all reasonable times.
4. Provide each party an annual statement showing all receipts and disbursements together with copies of any income tax returns pertaining to management of the Property.
5. Grant, sell, mortgage, lease, convey, hypothecate and in any and every manner deal with the Property, on such terms and conditions as Don shall deem proper.
6. Make, sign, seal, execute, acknowledge, deliver deeds, leases, and assignments, covenants, indentures, agreements, mortgages, deeds of trust, hypothecations, notes, receipts, evidences of debts, releases, compromise of debts, and satisfactions of mortgage, judgments, and other debts, such other instructions in writing of whatever kind and nature as may be necessary, convenient, or proper in performing Don's duties as manager of the Property.
7. Carry out and perform any present or future contracts pertaining to the Property.
8. Advance his own funds on behalf of the Property, and/or to borrow any sums of money for the benefit of the Property, on such terms and at such rate of interest as may seem property and to give security for the repayment of the same.
9. Reimburse Don for expenses advanced by Don.
10. Demand, sue for, collect, and receive all such sums of

money, debts, accounts, or demands whatsoever, as are now or shall hereafter become due, owing, payable or belonging to the parties arising out of or connected with the Property.

C. Without limiting the nature of this Agreement, this Agreement shall also constitute a Durable Power of Attorney pursuant to ORS 146.407 and that the powers of attorney hereby granted to Don contained in this Agreement shall be exercisable by Don on behalf of each party notwithstanding a party becoming legally disabled or incompetent.

D. The term of this Agreement shall commence upon distribution of the Property to the parties from the Estate and shall continue until the earlier of the following events occurring: Written resignation of Don; incapacity or death of Don; long term encumbrances against the Property created by Merle being either paid or assumed by a buyer; or 30 days' written notice by a majority of the parties to all parties of termination of Don as manager (provided, however, that in the event of written termination of Don as manager, such termination shall be effective at the end of the calendar month during which the 30 days' notice runs).

E. If Don should cease to act as manager, Don shall be entitled to retain a sufficient portion of the Property reasonably to secure payment of liabilities lawfully incurred by Don in the management of the Property unless all of the parties indemnify Don against such liability in form and manner acceptable to Don.

F. Don shall not be paid any compensation for services performed as manager. Notwithstanding the foregoing, Don shall be entitled to reimbursement for all outlays, advances, costs, and expenses incurred by Don in the performance of Don's duties and responsibilities as manager of the Property.

G. In the event of any dispute concerning any term, covenant, or provision of this Agreement, either party may submit such controversy to binding arbitration in accordance with the rules and regulations of the American Arbitration Association. The parties intend to make the submission to arbitration provided for in the preceding sentence an express condition precedent to any court action.

H. In the event either party institutes any suit or action against the other to recover any sum, to enforce any rights created by this Agreement, or for the breach of any covenant or condition herein contained, the prevailing party shall recover from the other party reasonable attorney fees to be fixed by the court for both trial and on appeal. This provisions shall also extend to arbitration proceedings.

I. Nothing contained herein shall be construed as creating a general partnership among the parties and manager. Don shall, at all times, be an independent contractor and the manner and means of

manager's performance of manager's covenants shall be manager's responsibility. Manager shall be entirely and solely responsible for manager's own acts, and the acts of manager's agents, employees, and subcontractors, engaged in manager's undertaking specified in this Agreement. Notwithstanding any provisions contained in this Agreement, Don shall be subject to the fiduciary duties to each party governing the acts of an agent.

I. Any notice by any party to the other required by this Agreement shall be deemed to have been fully given when written and deposited in a sealed envelope with the United States Postal Service as certified mail with postage prepaid and addressed to the party to receive the same.

J. All rights, duties and obligations created by this Agreement shall be joint and several.

K. This Agreement embodies the entire agreement of the parties. It may not be modified or terminated except as provided herein, or by other written agreement.

L. Each party to this Agreement understand that the firm of Giacomini, Jones & Associates, Attorneys at Law, A Professional Corporation, 635 Main Street, Klamath Falls, Oregon 97601, has assisted the parties in drafting this Agreement. Each party understands that, to the extent that a conflict of interest should otherwise arise in the performance of such services, each has acknowledged such conflict and each, with the opportunity to consult independent counsel, has consented to the preparation of this Agreement by said firm of attorneys.

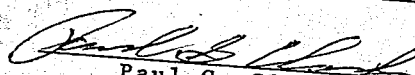
M. All agreements and covenants contained herein are severable, and in the event any of them shall be held to be invalid by any competent court, this Agreement shall be interpreted as if such invalid agreements or covenants were not contained herein. Pronouns used in this Agreement shall be construed in accordance with the appropriate gender or neuter, and as either singular or plural as the context requires. This Agreement shall be construed as if all parties prepared it. All rights and liabilities hereunder shall be determined in accordance with the laws of the State of Oregon regardless of where executed.

N. This Agreement shall bind and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

Date

Signature

12-17-84


Paul G. Clark

1-21-85

12-31-84

1-16-85

1/8/85

12/14/84

Dorothy Lou Ewing
Dorothy Lou Ewing

John W. Clark
John W. Clark

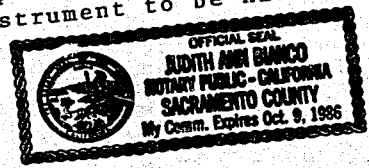
Helen B. Beard
Helen B. Beard

Mary Clark Walker
Mary Clark Walker

Donald M. Clark
Donald M. Clark

STATE OF)
COUNTY OF) ss.

On this 17th day of December, 1984, personally appeared the above named PAUL G. CLARK and acknowledged the foregoing instrument to be his voluntary act and deed.



(SEAL)

Before me:

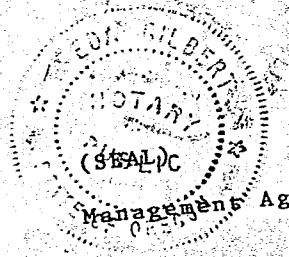
Judith Ann Bianco
Notary Public
My Commission expires: 10-9-86

STATE OF OREGON)
COUNTY OF KLAMATH) ss.

On this 21 day of January, 1985, personally appeared the above named DOROTHY LOU EWING and acknowledged the foregoing instrument to be her voluntary act and deed.

Before me:

Edi Gilbert
Notary Public
My Commission expires: 6-1-85



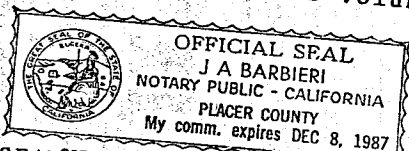
(SEAL)

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STATE OF California)
COUNTY OF Placer) ss.

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On this 31st day of December, 1984, personally
appeared the above named JOHN W. CLARK and acknowledged the foregoing
instrument to be his voluntary act and deed.



(SEAL) 325 Vernon Street, Roseville, CA 95678

Before me:

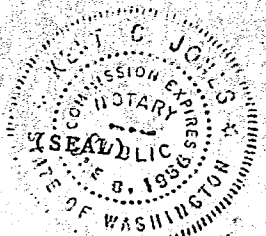
J Barbieri

Notary Public

My Commission expires: 12-8-87

STATE OF Wash.)
COUNTY OF Asotin) ss.

On this 16th day of Jan., 1985, personally
appeared the above named HELEN B. BEARD and acknowledged the foregoing
instrument to be her voluntary act and deed.



Before me:

Kent C. Jones

Notary Public

My Commission expires: 06-08-85

STATE OF TEXAS)
COUNTY OF TARRANT) ss.

On this 8th day of JANUARY, 1985, personally
appeared the above named MARY CLARK WALKER and acknowledged the
foregoing instrument to be her voluntary act and deed.



Before me:

JOVETA SAVAGE

Notary Public

My Commission expires: 3-30-85

9169

STATE OF CALIFORNIA)
) ss.
 COUNTY OF PLACER)

On this 14th day of December, 1984, personally appeared the above named DONALD M. CLARK and acknowledged the foregoing instrument to be his voluntary act and deed.



(SEAL)

Before me:

Diane L. Hillman
 Notary Public

My Commission expires: April 20, 1987

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record ..
 this 18th day of June A. D. 1985 at 9:16 o'clock A M., and
 duly recorded in Vol. M85, of Misc. on Page 9163.

EVELYN BIEHN, County Clerk

By Pam Smith

Fee: \$29.00

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Return To:

GIACOMINI, JONES & ASSOCIATES
 ATTORNEYS AT LAW
 A PROFESSIONAL CORPORATION
 635 MAIN STREET
 KLAMATH FALLS, OREGON 97601