

ATTORNMEN T AGREEMENT

DATE: November 29, 1988.

PARTIES: LEO L. DAVIS and ADAIR DAVIS  
Fort Jones,  
California 96032

"Davis"

E. RONALD ISAKSON, ALICE M.  
ISAKSON, CLO K. CONE, FLOYD  
CONE, a copartnership doing  
business as Executive Village  
4036 South Sixth Street  
Klamath Falls, OR 97603

"Executive Village"

SOUTH VALLEY STATE BANK  
5215 South Sixth Street  
Klamath Falls, OR 97603

"SVSB"

R E C I T A L S:

A. Davis, as Vendor, sold to Executive Village, under a Real Estate Contract dated October 7, 1988 and recorded on October 10, 1988 in Book M-88 at page 16967, Records of Klamath County, Oregon, the following parcel of real property:

A parcel of land lying in the NE $\frac{1}{4}$  SE $\frac{1}{4}$  of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at a point which is South 55.03 feet and South 89 degrees 14' West 298 feet form the Quarter-Section Corner Common to Sections 2 and 3, Township 39 South, Range 9 East of the Willamette Meridian, said point also being 53 feet South of (when measured at right angles to) the relocated center line of the Klamath Falls-Malin Highway; thence continuing South 89 degrees 14' West a distance of 132 feet; thence South 0 degrees 30' 30" East a distance of 137 feet; thence North 89 degrees 58' 30" East a distance of 132 feet; thence North 0 degrees 30' 30" West a distance of 137 feet to the point of beginning.

hereinafter the "real property"

B. Executive Village desires to make certain improvements to the real property and to borrow funds from SVSB for such purposes to be secured by a Trust Deed executed by Executive Village upon the real property.

C The parties hereto desire to make provisions for the continuation of the payments due to Davis in the event of default by Executive Village to SVSB or Davis and for the protection of SVSB in the event default by Executive Village.

AGREEMENT

The parties agree as follows:

1. In the event Executive Village defaults on the Real Estate Contract Davis agrees that, prior to the acceleration of the amounts due under the Real Estate Contract or prior to the initiation of litigation or perfection of their rights under the

statutes of the State of Oregon, Davis will give SVSB sixty (60) days written notice of the default and allow SVSB to correct the default, or at the election of SVSB to acquire Executive Village's interest in the Real Estate Contract for an amount equal to the amount due upon said Real Estate Contract.

2. In the event Executive Village defaults upon any obligation of Executive Village to SVSB, Davis agrees to convey to SVSB their interest in the Real Estate Contract for an amount equal to the amount due upon said Real Estate Contract within thirty (30) days after written notice of the default and election to acquire by SVSB.

3. In the event Executive Village is in default upon the Real Estate contract, that default shall be an act of default upon the agreements with SVSB. In the event Executive Village is in default upon any agreement with SVSB, such default shall be an act of default upon the Real Estate Contract.

4. The consideration for this Agreement is the extension of credit by SVSB to Executive Village, for improvement upon the real property by Executive Village.

IN WITNESS WHEREOF the parties have set their hands and seals the day and year first hereinabove written.

DAVIS:

Leo L. Davis  
Leo L. Davis

Adair Davis  
Adair Davis

SOUTH VALLEY STATE BANK, an  
Oregon Banking Corporation,

By: Altan H. Quigley  
President

EXECUTIVE VILLAGE:

E. Donald Isakson  
E. Donald Isakson

Alice M. Isakson  
Alice M. Isakson

Clo K. Cone  
Clo K. Cone

Floyd Cone  
Floyd Cone

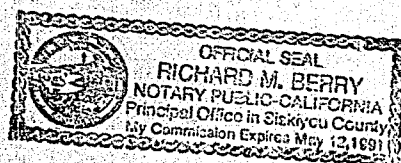
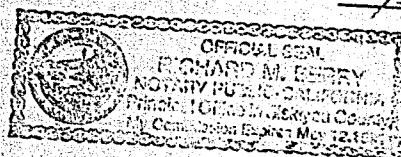
STATE OF CALIFORNIA )

County of Siskiyou ) ss.

December 2, 1988.

Personally appeared the above-named LEO L. DAVIS and ADAIR DAVIS and acknowledged the foregoing instrument to be their voluntary act. Before me:

Richard M. Berry  
Notary Public for California  
My Commission expires: 5-12-91





STATE OF OREGON )  
 County of Klamath ) ss. November 29, 1988.

Personally appeared the above-named E. RONALD ISAKSON, ALICE M. ISAKSON, CLO R. CONE and FLOYD CONE and acknowledged the foregoing instrument to be their voluntary act. Before me:

Debra H. Wetzel  
 Notary Public DEBRA H. WETZEL  
 My Commission Expires 7-8-90  
 NOTARY PUBLIC OREGON

STATE OF OREGON )  
 County of Klamath ) ss. November 29, 1988.

Personally appeared the ALLAN L. CRAIGMILES, who, being duly sworn, stated that he is President of South Valley State Bank, and that said instrument was signed in behalf of said corporation by authority of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed. Before me:

Debra H. Wetzel  
 Notary Public DEBRA H. WETZEL  
 My Commission Expires 7-8-90  
 NOTARY PUBLIC OREGON

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of South Valley State Bank the 9th day  
 of Dec. A.D. 19 88 at 11:52 o'clock AM., and duly recorded in Vol. M88  
 of Mortgages on Page 20990

FEE \$18.00

Evelyn Biehn  
 By Pauline Nielsen County Clerk

AFTER RECORDING RETURN TO:

Brandsness, Brandsness & DAVIS, P.C.  
 411 Pine Street  
 Klamath Falls, OR 97601