

Aspen Title No. 01035010

MEMORANDUM OF REGULATORY AGREEMENT

BE IT KNOWN ON THE 21st day of December, 1990, the below-named parties entered into a Regulatory Agreement covering a certain loan on real property described as follows:

See EXHIBIT "A"

The parties to this Agreement were:

Clayco Development Corporation, an Oregon corporation, and the Oregon Housing Agency, State of Oregon.

This Regulatory Agreement is to secure performance of the obligations and agreements undertaken by Clayco Development Corporation in its loan from the Agency.

IN WITNESS WHEREOF, the parties have set their hands this 21st day of December, 1990.

CLAYCO DEVELOPMENT CORPORATION

By: [Signature]

Title: PRESIDENT

By: [Signature]

Title: [Signature]

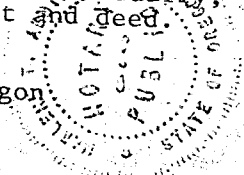
STATE OF OREGON, County of Klamath)ss.

On December 21, 1990, personally appeared Bruce J. Clayman as President of Clayco Development Corporation and Bruce J. Clayman, individually, and acknowledged the foregoing to be their voluntary act and deed.

Before me:

2047g

Marlene T. Addington
Marlene T. Addington, Notary Public for Oregon
My Commission Expires: 5-22-93



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PARCEL 1:

A tract of land situated in the NE 1/4 NE 1/4 of Section 32, and the SE 1/4 SE 1/4 Section 29, Township 38 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, described as follows:

Beginning at the intersection of the Southerly line of Pine Street and the Easterly line of Eleventh Street in the City of Klamath Falls, Oregon; thence Northeasterly along said Southerly line of Pine Street 170 feet to a point thereon distant 50 feet Southwesterly along said Pine Street from the most Westerly corner of Lot 5, Block 3, HOT SPRINGS ADDITION TO THE CITY OF KLAMATH FALLS, OREGON; thence Southeasterly and parallel with said Easterly line of Eleventh Street 112 feet; thence Southwesterly parallel to said Pine Street, 50 feet; thence Southeasterly parallel with Eleventh Street 8 feet; thence Northeasterly and parallel with the Northerly line of Main Street in the City of Klamath Falls, Oregon, 125 feet; thence Southeasterly and parallel with said Easterly line of Eleventh Street 120 feet to said Northerly line of Main Street at a point thereon distant 50 feet Southwesterly from the Southwest corner of Lot 6, Block 3, Hot Springs Addition to the City of Klamath Falls, Oregon; thence Southwesterly along said Northerly line of Main Street 245 feet to the Northeast corner of Main Street and Eleventh Street; thence Northwesterly along the Easterly line of Eleventh Street to the point of beginning.

LESS AND EXCEPT any portion of the alley in Block 3, HOT SPRINGS ADDITION TO THE CITY OF KLAMATH FALLS, OREGON.

PARCEL 2:

A tract of land situated in the NE 1/4 NE 1/4 of Section 32, Township 38 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, described as follows:

Commencing at the point on the Southerly line of Pine Street which is distant 50 feet Southwesterly along said Pine Street from the most Westerly corner of Lot 5, Block 3, HOT SPRINGS ADDITION TO THE CITY OF KLAMATH FALLS, OREGON, and thence running Southeasterly and parallel with the Easterly line of Eleventh Street a distance of 112 feet to the true point of beginning of this description; thence Southwesterly and parallel to said Pine Street 50 feet; thence Southeasterly and parallel with Eleventh Street 8 feet; thence Northeasterly and parallel with the Northerly line of Main Street a distance of 50 feet; thence Northwesterly and parallel with Eleventh Street a distance of 8 feet, more or less, to said true point of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title Co. the 31st day
of Dec. A.D., 19 90 at 3:31 o'clock P.M., and duly recorded in Vol. M90
of Mortgages on Page 25739.

FEE \$13.00

Evelyn Biehn County Clerk

By Pauline Mulendare

Return: ATC