

RENEWAL, EXTENSION AND MODIFICATION AGREEMENT

THIS RENEWAL, EXTENSION AND MODIFICATION AGREEMENT (this "Agreement") is dated effective as of August 1, 2000. The parties hereto are DONALD E. ROWLETT and JEAN ROWLETT (collectively, "Borrower"), whose address is c/o Isakson & Cone, CPA's, 2650 Washburn Way, Klamath Falls, Oregon 97603, and THE FRANKLIN LIFE INSURANCE COMPANY, an Illinois corporation ("Lender"), whose address is c/o American General Realty Advisors, Inc., 2929 Allen Parkway, 34th Floor, Houston, Texas 770019.

RECITALS:

Borrower executed and delivered to Lender a promissory note dated April 2, 1990 (which, as it may have been renewed, extended or rearranged, is herein called the "Note"), in the original principal sum of One Million Five Hundred Fifty Thousand Dollars (\$1,550,000) bearing interest on the unpaid balance thereof at the rate or rates therein stated, with a final stated maturity thereof of April 1, 2000.

The Note is secured by, among other security, a Deed of Trust (the "Deed of Trust") dated April 2, 1990, from Borrower to Klamath County Title Company, Klamath County, Oregon, Trustee for the benefit of Lender, recorded on April 2, 1990, in Volume M90, Page 5990, of the Mortgage Records of Klamath County, Oregon, which instrument reference is here made for description of the collateral for the Note and for all other purposes. The property covered and affected by such instrument (the "Property") includes the property described on Exhibit A hereto. The liens, security interests and assignments of the Deed of Trust and of all other documents and instruments now or hereafter governing, evidencing, guaranteeing or securing or otherwise relating to payment of all or any part of the indebtedness evidenced by the Note (collectively, the "Credit Documents") are hereinafter collectively called the "Liens".

Borrower and Lender have heretofore agreed to an interim extension period and extended the final maturity of the Note to November 1, 2000, and have ratified the Liens and confirmed that they continue to secure the Note as extended. They now agree to further extend the stated final maturity date of the Note, to make certain other changes to the Note and to ratify the Liens and confirm that they continue to secure the Note, as modified hereby, all as set forth in the succeeding provisions of this Agreement (which shall control over any conflicting or inconsistent recitals above).

AGREEMENTS:

In consideration of the premises and the mutual agreements herein set forth, Borrower and Lender hereby agree as follows:

1. **Certain Definitions.** The following words and terms shall, unless the context otherwise requires, have the meanings provided below:

(a) "Additional Interest" means the aggregate of all amounts accrued or paid pursuant to the Note or any of the other Credit Documents (other than interest on the Note at the Stated Rate)

which, under applicable laws, are or may be deemed to constitute interest on the indebtedness evidenced by the Note.

(b) "Ceiling Rate" means, on any day, the maximum nonusurious rate of interest permitted for that day by whichever of applicable federal or Oregon laws permits the higher interest rate, stated as a rate per annum. Without notice to Borrower or any other person or entity, the Ceiling Rate shall automatically fluctuate upward and downward as and in the amount by which such maximum nonusurious rate of interest permitted by applicable law fluctuates.

(c) "Maturity Date" means the maturity of the Note, as extended hereby, November 1, 2001, as the same may hereafter be accelerated pursuant to the provisions of the Note or any of the other Credit Documents.

(d) "Past Due Rate" means, on any day, a rate per annum equal to the Ceiling Rate for that day, or only if applicable law imposes no maximum nonusurious rate of interest for that day, then the Past Due Rate for that day shall be a rate per annum equal to eleven and seventy-five hundredths percent (11.75%) per annum.

(e) "Stated Rate" means nine and seventy-five hundredths percent (9.75%) per annum.

2. **Balance.** As of August 1, 2000, the present unpaid principal balance of the Note is One Million Three Hundred Ninety-Two Thousand Seven Hundred Seventy-Two and 45/100 Dollars (\$1,392,772.45). No amounts remain unadvanced against the Note and Lender shall have no obligation to make any further advances under the Note or any of the other Credit Documents.

3. **Interest Rate.** The unpaid principal balance of the Note from time to time outstanding shall bear interest from the effective date hereof until the Maturity Date at the Stated Rate and all past due amounts, both principal and accrued interest, shall bear interest from the respective due dates thereof until paid at the Past Due Rate, provided, that for the full term of the Note the interest rate produced by the aggregate of all sums paid or agreed to be paid to the holder of the Note for the use, forbearance or detention of the debt evidenced thereby (including all interest on the Note at the Stated Rate plus the Additional Interest) shall not exceed the Ceiling Rate.

4. **Payment Schedule.** The principal of the Note, together with accrued and unpaid interest on the unpaid principal balance of the Note, shall be due and payable in monthly installments of Eighteen Thousand Four Hundred Ninety Dollars (\$18,490) each, inclusive of interest. The first installment shall be due and payable on August 1, 2000, and a like installment shall be due and payable on the first (1st) day of each succeeding calendar month thereafter until the Note shall have been fully paid and satisfied; provided, that on the Maturity Date, the entire unpaid principal balance of the Note and all accrued and unpaid interest on the unpaid principal balance of the Note shall be finally due and payable.

5. **Application of Payments.** All payments shall be applied first to accrued interest and the balance to principal. All prepayments shall be applied first to accrued interest and the balance to the remaining principal installments in inverse order of their maturity.

6. **Prepayment.** Borrower may at any time pay all or any part of the Note.

7. **Borrower's Performance.** If Borrower should fail to comply with any of its agreements, covenants or obligations under this Agreement, the Note or any other Credit Document, then Lender (in Borrower's name or in Lender's own name) may perform them or cause them to be performed for Borrower's account and at Borrower's expense, but shall have no obligation to perform any of them or cause them to be performed. Any and all expenses thus incurred or paid by Lender shall be Borrower's obligations to Lender due and payable on demand, or if no demand is sooner made, then they shall be due on or before four (4) years after the respective dates on which they were incurred, and each shall bear interest from the date Lender pays it until the date Borrower repays it to Lender, at the Past Due Rate. Upon making any such payment or incurring any such expense, Lender shall be fully and automatically subrogated to all of the rights of the person, corporation or body politic receiving such payment. Any amounts owing by Borrower to Lender pursuant to this or any other provision of this Agreement shall be secured by the Deed of Trust and the other applicable Credit Documents. The amount and nature of any such expense and the time when it was paid shall be fully established by the affidavit of Lender or any of Lender's officers or agents or by the affidavit of any original, substitute or successor Trustee acting under the Deed of Trust. The exercise of the privileges granted in this paragraph shall in no event be considered or constitute a waiver of the right of Lender at any time after default under the Note or any of the other Credit Documents to declare the indebtedness evidenced by the Note to be at once due and payable, but is cumulative of such right and of all other rights given by any of the Credit Documents, and of all rights given Lender by law.

8. **Professional Services.** Lender (by its officers, employees, directors or agents) at any time and from time to time, at Lender's sole cost and expense, may contract for the services of an appraiser to perform a written appraisal of the Property (or such parts of it as are designated in Lender's request). Any such appraisal may be performed at any time or times upon reasonable notice to Borrower, as long as it does not unreasonably interfere with Borrower's use of the Property. Specifically, any such appraiser is authorized to enter upon, and Borrower shall allow such appraiser access to, the Property as may be necessary in the opinion of such appraiser to perform its professional services. Borrower will also furnish such appraiser such historical and operational information regarding the Property as may be reasonably requested by such appraiser to facilitate preparation of an appraisal and will make available for meetings with such appraiser appropriate personnel having knowledge of such matters. Borrower will permit Lender and its agents, independent contractors, representatives, employees and officers at all reasonable times to go upon, examine, inspect and remain on the Property for any lawful purpose and will furnish to Lender on request all pertinent information in regard to the development, operation, use and status of the Property. Promptly upon Lender's request, Borrower agrees, at Borrower's sole cost and expense (to the extent not prohibited by applicable law) to cause to be conducted or prepared any written report, summary, opinion, inspection, review, survey, audit or other professional service relating to the Property or any operations in connection with it (all as described in Lender's request), including any accounting, architectural, consulting, engineering, design, legal, management, pest control, surveying, toxic or hazardous materials survey, inspection, removal or cleanup work, title abstracting or other technical, managerial or professional service relating to the Property or its operations. Lender may elect to deliver any such request orally, by telegram, telex or telefax, by mail or by hand delivery addressed to Borrower as provided in the Deed of Trust or by any other legally effective

method, and it may be given at any time and from time to time before the complete and final release and discharge of the Deed of Trust. Any amount to be paid under this Paragraph by Borrower to Lender shall be a demand obligation owing by Borrower to Lender and shall bear interest from the date of expenditure at the Past Due Rate.

9. **Expenses; Indemnification.** To the extent not prohibited by applicable law, Borrower will pay all costs and expenses and reimburse Lender for any and all expenditures of every character incurred or expended from time to time, regardless of whether a default has occurred, in connection with (a) the preparation, negotiation, documentation, closing, renewal, revision, modification, increase, review or restructuring of this Agreement or any loan or credit facility secured by any of the Liens, including legal, accounting, auditing, architectural, engineering and inspection services and disbursements, or in connection with collecting or attempting to enforce or collect the Note or any of the other Credit Documents, and (b) creating or perfecting Lender's security interest in and liens on the Property. To the extent not prohibited by applicable law, Borrower will pay all costs and expenses and reimburse Lender for any and all expenditures of every character incurred or expended from time to time after the occurrence of a default, event of default or any similar event regardless of nomenclature, in connection with (a) Lender's monitoring and protecting the Property, and (b) Lender's realizing upon Lender's security interest in and liens on the Property, and all costs and expenses relating to Lender's exercising any of its rights and remedies under the Note or any other Credit Document or at law including all appraisal fees, consulting fees, filing fees, taxes, brokerage fees and commissions, title review and abstract fees, Uniform Commercial Code search fees, other fees and expenses incident to title searches, reports and security interests, escrow fees, attorneys' fees, legal expenses, court costs, other fees and expenses incurred in connection with any complete or partial liquidation of the Property and all fees and expenses for any professional service relating to the Property or any operations conducted in connection with it; provided, that no right or option granted by Borrower to Lender or otherwise arising pursuant to any provision of this or any other instrument shall be deemed to impose or admit a duty on Lender to supervise, monitor or control any aspect of the character or condition of the Property or any operations conducted in connection with it for the benefit of Borrower or any other person or entity other than Lender. Borrower agrees to indemnify, defend and hold Lender, its shareholders, directors, officers, agents, attorneys, advisors and employees (collectively "Indemnified Parties") harmless from and against any and all loss, liability, obligation, damage, penalty, judgment, claim, deficiency, expense, action, suit, cost and disbursement of any kind or nature whatsoever (including interest, penalties, attorneys' fees and amounts paid in settlement), **REGARDLESS OF WHETHER CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OF ANY OF THE INDEMNIFIED PARTIES**, imposed on, incurred by or asserted against the Indemnified Parties growing out of or resulting from this Agreement, the Note, any Credit Document or any transaction contemplated herein or therein (except that any such indemnity shall not be paid to any Indemnified Party to the extent that such loss, etc. directly results from the gross negligence or willful misconduct of that Indemnified Party), including (a) any loss, cost, expense, claim or liability arising out of any investigation, monitoring, clean-up, containment, removal, storage, remedial or restoration work ("Remedial Work") required by any non-governmental entity or person or any governmental agency or necessary to comply with Environmental Laws (hereinafter defined), and (b) any claims of third parties for loss, injury, expense or damage arising out of the use, presence, treatment, generation, release, discharge, disposal or transportation of any Hazardous Materials (hereinafter defined) on, under, in, above, to or from the Property. If any person or entity (including Borrower or any of its

affiliates) ever alleges gross negligence or willful misconduct by an Indemnified Party, the full amount of indemnification provided for in this Paragraph shall nonetheless be paid upon demand, subject to later adjustment or reimbursement at such time--if any--as a court of competent jurisdiction enters a final judgment as to the extent and effect of the alleged gross negligence or willful misconduct. Any amount to be paid under this Paragraph by Borrower to Lender shall be a demand obligation owing by Borrower to Lender and shall bear interest from the date of expenditure at the Past Due Rate. For the purposes of this paragraph, "Hazardous Materials" shall refer to any underground storage tank, petroleum, polychlorinated biphenyls, radioactive materials, explosives or other substances, materials and wastes that are or become regulated as hazardous or toxic substances under any applicable local, state or federal law, regulation or order, including the Comprehensive Environmental Response, Compensation and Liability Act and the Resource Conservation and Recovery Act, each as amended from time to time (herein collectively called "Environmental Laws"); provided however, Hazardous Materials shall not include substances in quantities and concentrations which are customarily used in the ordinary course of Borrower's business currently conducted at the Property as long as such substances are used and disposed of in accordance with all Environmental Laws. In the event any Remedial Work is required under applicable Environmental Laws, Borrower shall perform or cause to be performed the Remedial Work in compliance with all Environmental Laws. All Remedial Work shall be performed by one or more contractors under the supervision of a consulting engineer, each contractor and the consulting engineer being selected by Borrower and approved in advance in writing by Lender. Borrower shall promptly provide Lender with copies of the remedial plan and allow Lender to attend meetings among Borrower, the consulting engineer, the contractors and any regulatory authority.

10. [Intentionally Deleted.]

11. **No Usury Intended; Spreading.** Notwithstanding any provision to the contrary contained in the Note or any of the other Credit Documents, it is expressly provided that in no case or event shall the aggregate of (i) all interest on the unpaid balance of the Note, accrued or paid from the date hereof and (ii) the aggregate of any other amounts accrued or paid pursuant to the Note or any of the other Credit Documents, which under applicable laws are or may be deemed to constitute interest upon the indebtedness evidenced by the Note ever exceed the Ceiling Rate. In this connection, Borrower and Lender expressly stipulate and agree that it is their common and overriding intent to contract in strict compliance with the applicable usury laws. In furtherance thereof, none of the terms of the Note or any of the other Credit Documents shall ever be construed to create a contract to pay, as consideration for the use, forbearance or detention of money, interest at a rate in excess of the Ceiling Rate. Borrower or other parties now or hereafter becoming liable for payment of the indebtedness evidenced by the Note shall never be liable for interest in excess of the Ceiling Rate. If, for any reason whatever, the interest paid or received on the Note during its full term produces a rate which exceeds the Ceiling Rate, the holder of the Note shall credit against the principal of the Note (or, if such indebtedness shall have been paid in full, shall refund to the payor of such interest) such portion of said interest as shall be necessary to cause the interest paid on the Note to produce a rate equal to the Ceiling Rate. All sums paid or agreed to be paid to the holder of the Note for the use, forbearance or detention of the indebtedness evidenced thereby shall, to the extent required to avoid or minimize usury and to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of the Note, so that the interest

rate does not exceed the Ceiling Rate. The provisions of this paragraph shall control all agreements, whether now or hereafter existing and whether written or oral, between Borrower and Lender.

12. **Business Loans.** Borrower warrants and represents to Lender and all other holders of the Note that all loans evidenced by the Note are and will be for business, commercial, investment or other similar purpose and not primarily for personal, family, household or agricultural use.

13. **Sale and Assignment.** Lender reserves the right, exercisable in its sole discretion and without notice to Borrower or any other person, to sell participations or assign its interest, or both, in all or any part of the Note or any loan evidenced by the Note.

14. **Lifting of Automatic Stay.** In the event that Borrower or any other person or entity now or hereafter primary or secondarily obligated to pay all or any part of the indebtedness evidenced by the Note is the subject of any insolvency, bankruptcy, receivership, dissolution, reorganization or similar proceeding, federal or state, voluntary or involuntary, under any present or future law or act, Lender is entitled to the automatic and absolute lifting of any automatic stay as to the enforcement of its remedies under the Credit Documents against the security for such indebtedness, including specifically the stay imposed by Section 362 of the United States Federal Bankruptcy Code, as amended. Borrower hereby consents to the immediate lifting of any such automatic stay, and will not contest any motion by Lender to lift such stay. Borrower expressly acknowledges that the security for the such indebtedness is not now and will never be necessary to any plan of reorganization of any type.

15. **No Waiver.** Lender acknowledges that Lender and its agents in the past may have accepted, without exercising the remedies to which Lender was entitled, payments and performance by Borrower that constituted events of default under the Note and the Deed of Trust. Borrower acknowledges that no such acceptance or grace granted by Lender or its agents in the past, or Lender's agreement to this Agreement, has in any manner diminished Lender's right in the future to insist that Borrower strictly comply with the terms of the Note, the Deed of Trust or any other Credit Documents (as such term is defined below). Furthermore, Borrower specifically acknowledges that any future grace or forgiveness of default by Lender shall not constitute a waiver or diminishment of any right of Lender with respect to any future default of Borrower, whether or not similar to any default with respect to which Lender has in the past chosen, or may in the future choose, not to exercise all of the rights and remedies granted to it under the Note, the Deed of Trust or any other Credit Documents.

16. **Entire Agreement.** This Agreement supersedes and merges all prior and contemporaneous promises, representations, and agreements, including, without limitation, that certain Conditional Consent Letter dated August 1, 2000, by and between American General Realty Advisors, Inc. (an affiliate of Lender) and Borrower. No modification of this Agreement, the Note, or the Deed of Trust, or any other Credit Documents, or waiver of rights under any of the foregoing, shall be effective unless made by supplemental agreement, in writing, executed by Lender and Borrower. Lender and Borrower further agree that this Agreement, may not in any way be explained or supplemented by a prior, existing, or future course of dealings between the parties or by any prior, existing, or future performance between the parties pursuant to this Agreement or otherwise.

17. **No Default.** Borrower hereby warrants and represents to Lender that there is not at the time of execution of this Agreement, any existing default under the Note or the Deed of Trust, nor any circumstance that would constitute a default under the Note or the Deed of Trust with either or both of the giving of due notice and the passage of time, other than failure to pay the Note in full on April 1, 2000.

18. **Further Writings.** From time to time Borrower shall execute and deliver to Lender such other and further documents and instruments evidencing, securing, or pertaining to the Note, the Deed of Trust or this Agreement, as shall be requested by Lender so as to evidence or effect the terms and conditions hereof. Borrower shall furnish Lender with such endorsements and/or updates to Lender's Policy of Title Insurance presently in effect as Lender may reasonably require, all to be in form and substance reasonably satisfactory to Lender.

19. **Written Confirmation.** Lender from time to time may request that Borrower confirm in writing the then unpaid principal balance of the Note and Borrower covenants and agrees that it promptly will comply with each such request made by Lender; provided, however, that irrespective of whether or not Lender requests or Borrower executes such written confirmations, the calculations made by Lender of the unpaid principal balance of the Note from time to time shall be presumed to be in compliance with the provisions of the Note, and if in compliance with the provisions of the Note, shall be binding upon Borrower and Lender.

20. **Time.** It is expressly agreed by the parties hereto that time is of the essence with respect to this Agreement.

21. **Representation by Counsel.** The parties acknowledge and confirm that each of their respective attorneys have participated jointly in the review and revision of this Agreement. The parties hereto therefore stipulate and agree that the rule of construction to the effect that any ambiguities are to or may be resolved against the drafting party shall not be employed in the interpretation of this Agreement, to favor either party against the other.

22. **Terms.** The use of the words "hereof," "herein," "hereunder," and words of similar import shall refer to this entire Agreement and not to any particular article or section of this Agreement, unless the context clearly indicates otherwise.

23. **Lien Continuation; Miscellaneous.** The Liens are hereby ratified and confirmed as continuing to secure the payment of the Note, as modified hereby. Nothing herein shall in any manner diminish, impair or extinguish the Note, any of the other Credit Documents or the Liens. The Liens are not waived. To the extent of any conflict between the Note or any of the other Credit Documents (or any earlier modification of any of them) and this Agreement, this Agreement shall control. Except as hereby expressly modified, all terms of the Note and the other Credit Documents (as any of them may have been previously modified by any written agreement) remain in full force and effect. If more than one person or entity execute this Agreement as "Borrower", each shall be jointly and severally liable for the obligations of Borrower hereunder. This Agreement (a) shall bind and benefit Borrower and, except as herein expressly limited, Lender and their respective heirs, beneficiaries, administrators, executors, receivers, trustees, successors and assigns (provided, that Borrower shall not assign its rights hereunder without the prior written consent of Lender); (b) may

be modified or amended only by a writing signed by each party; (c) **SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE APPLICABLE LAWS OF THE STATE OF OREGON AND THE UNITED STATES OF AMERICA FROM TIME TO TIME IN EFFECT**; (d) may be executed in several counterparts, and by the parties hereto in separate counterparts, and each counterpart, when executed and delivered, shall constitute an original agreement enforceable against all who signed it without production of or accounting for any other counterpart, and all separate counterparts shall constitute the same agreement and (e) embodies the entire agreement and understanding between the parties with respect to modifications of instruments provided for herein and supersedes all prior conflicting or inconsistent agreements, consents and understandings relating to such subject matter. Borrower acknowledges and agrees that there are no oral agreements between Borrower and Lender which have not been incorporated in this Agreement. If any provision of this Agreement should be determined by any court of competent jurisdiction to be illegal, invalid or unenforceable under present or future laws, the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby. Each waiver in this Agreement is subject to the overriding and controlling rule that it shall be effective only if and to the extent that (a) it is not prohibited by applicable law and (b) applicable law neither provides for nor allows any material sanctions to be imposed against Lender for having bargained for and obtained it. Wherever the term "including" or a similar term is used in this Agreement, it shall be read as if it were "including by way of example only and without in any way limiting the generality of the clause or concept referred to." Any exhibits, appendices and annexes described in this Agreement as being attached to it are hereby incorporated into it. The headings in this Agreement shall be accorded no significance in interpreting it. **BORROWER HEREBY RELEASES, DISCHARGES AND ACQUITS FOREVER LENDER, AMERICAN GENERAL REALTY ADVISORS, INC. AND THEIR AFFILIATES AND SUBSIDIARIES, PREDECESSORS, SUCCESSORS AND ASSIGNS, OFFICERS, DIRECTORS, TRUSTEES, AGENTS, EMPLOYEES, SHAREHOLDERS AND COUNSEL (IN EACH CASE, PAST, PRESENT AND FUTURE) FROM ANY AND ALL CLAIMS EXISTING AS OF THE DATE HEREOF (OR THE DATE OF ACTUAL EXECUTION HEREOF BY THE APPLICABLE PERSON OR ENTITY, IF LATER). AS USED HEREIN, THE TERM "CLAIM" SHALL MEAN ANY AND ALL LIABILITIES, CLAIMS, DEFENSES, DEMANDS, ACTIONS, CAUSES OF ACTION, JUDGMENTS, DEFICIENCIES, INTEREST, LIENS, COSTS OR EXPENSES (INCLUDING BUT NOT LIMITED TO COURT COSTS, PENALTIES, ATTORNEYS' FEES AND DISBURSEMENTS, AND AMOUNTS PAID IN SETTLEMENT) OF ANY KIND AND CHARACTER WHATSOEVER, INCLUDING BUT NOT LIMITED TO CLAIMS FOR USURY, BREACH OF CONTRACT, BREACH OF COMMITMENT, NEGLIGENT MISREPRESENTATION OR FAILURE TO ACT IN GOOD FAITH, IN EACH CASE WHETHER NOW KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ASSERTED OR UNASSERTED OR PRIMARY OR CONTINGENT, AND WHETHER ARISING OUT OF WRITTEN DOCUMENTS, UNWRITTEN UNDERTAKINGS, COURSE OF CONDUCT, TORT, VIOLATIONS OF LAWS OR REGULATIONS OR OTHERWISE.**

EXECUTED effective as of the date first set forth above.

Donald E. Rowlett
DONALD E. ROWLETT

Jean Rowlett
JEAN ROWLETT

THE FRANKLIN LIFE INSURANCE COMPANY,
an Illinois corporation

By: [Signature]
Name: Rembert R. Owen, Jr.
Title: Vice President

Attachments:

Exhibit A - Property

APPROVED
AS TO CONTRACT COMPLIANCE
PER SPN NO. 132
LAW DEPARTMENT

CONTROL NO. 10-278
DATE 11-1-00
SIGNED: [Signature]

STATE OF OREGON §
§
COUNTY OF Klamath §

The foregoing instrument was acknowledged before me on 10/30th, 2000, by
DONALD E. ROWLETT.

Karen A Baker
Notary Public in and for the State of Oregon
My Commission Expires: 9-28-01



STATE OF OREGON §

COUNTY OF Klamath §

The foregoing instrument was acknowledged before me on 10-30, 2000, by JEAN ROWLETT.



Karen A Baker

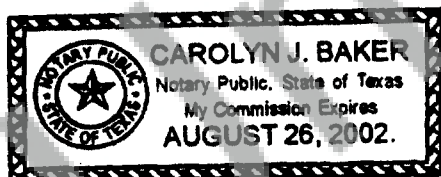
Notary Public in and for the State of Oregon

My Commission Expires: 9-28-01

STATE OF TEXAS §

COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me on November, 2000, by Rembert R. Owen, Jr., Vice President of THE FRANKLIN LIFE INSURANCE COMPANY, an Illinois corporation, on behalf of said corporation.



Carolyn J Baker

Notary Public in and for the State of T E X A S

EXHIBIT A

Property

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 in Block 78 of Klamath Addition to the City of Klamath Falls, Oregon, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

State of Oregon, County of Klamath
Recorded 01/26/01, at 10:52 a.m.
In Vol. M01 Page 3148
Linda Smith,
County Clerk Fee\$ 71⁰⁰