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01/26/2007 03:35:24 PM

Fee: \$26.00

PROMISSORY NOTE

Borrower: Aaron Powless and
Garrett Powless and
Industrial Property Group LLC
1305 Main St.
Klamath Falls, OR 97601
541-882-0758

Lender: Harry Mauch
5143 S 6th St.
Klamath Falls, OR 97603
(541)884-0114

Date of Note: January 25, 2007
Principal Amount: \$81,382.03
Annual Interest Rate: 24.00%

The reason for this promissory note is to secure Harry L. Mauch's payment of \$81,382.03 until an LLC is fully developed which would join Harry as 1/3 ownership interest in the facility located at 1305 Main St., Klamath Falls OR 97601. This promissory note is intended to securely bridge the time frame between today's date and such time the LLC is legally and fully formed and all parties agree. The anticipated partners are hereby named as follows; Harry Mauch, Aaron Powless, and Garrett Powless. If in the event the said LLC is not established and all equity in 1305 Main St., Klamath Falls OR 97601 is not transferred from Industrial Property Group to the newly established LLC by February 19th, 2007 then Harry Mauch (Lender) can exercise the collection of this note in it's entirety plus damages which all parties agree to be equal to twenty-percent (20%) of \$81,382.03.

COLLATERAL: 1305 Main St., Klamath Falls OR 97601 (Hot Springs 2nd Addition, Block 7 1-26 inclusive)
Or any other unencumbered properties owned by Aaron Powless and/or Garrett Powless and/or Industrial Property Group.

\$81,382.03 has been paid to Aaron Powless and Garrett Powless in the form of cashier's checks payable to the following parties in the listed amounts:


Payee	Amount
Klamath Limited Partnership OR Joe Kellerman	\$56,623.48
Klamath County Tax Assessor	\$23,877.63
City of Klamath Falls	\$ 881.19


This payment is intended as consideration for a one-third percentage of ownership in the equity of the property located at 1305 Main St., Klamath Falls Oregon 97601 (Hot Springs 2nd Addition, Block 7, Lots 1-26 inclusive). The ownership of this property will be organized under a limited liability company (to be named). If for any reason the organization of the LLC is not completed by February 19th, 2007 \$81,382.03 plus interest assessed at .066% per day is payable in full by February 26th, 2007. If not paid in full by February 26th, 2007 a twenty-percent penalty applies and \$97,658.44 is due and payable to Harry Mauch in U.S. currency. Should encumbrances on the property exist to disallow such security, security interest of equal value is granted for any unencumbered properties owned by Aaron Powless and/or Garrett Powless and/or Industrial Property Group.

PROMISE TO PAY: Until and unless this debt is reorganized through LLC ownership, Aaron Powless and Garrett Powless promise to pay pursuant to the terms above to Harry Mauch in lawful money of the United States of America, the principal amount of Eighty-one thousand three hundred eighty-two and 03/100 (\$81,382.03) together with interest on the unpaid principal balance from January 24, 2007 until paid in full. The Borrower is responsible for reasonable collection and court fees required to collect this debt.

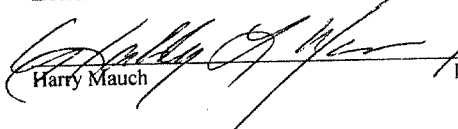
NOTE: It is Harry Mauch's instruction that should he no longer be able to or desire to receive the payment associated with this note, the note will become payable to Carol Mauch.

Borrower:


Aaron Powless
Date 1-26-07


Garrett Powless
Date 1-26-07

Lender:


Harry Mauch
Date 1-26-07

26- ret o/c Jennifer Turner

State of OREGON

County of

Clatsop

Signed or attested before me on

Jan 26 2007

by

+ Harry L. Mauch, Garrett L.

Powless and Aaron A. Powless +

Patricia Janet Thede

Notary Public - State of Oregon



OFFICIAL SEAL
PATRICIA JANET THEDE
NOTARY PUBLIC - OREGON
COMMISSION NO. 406509
MY COMMISSION EXPIRES JULY 7, 2010