

IN THE CIRCUIT COURT OF THE STATE OF OREGON FOR KLAMATH COUNTY

FRANK F. GANONG,

vs.

Plaintiff,

STEVEN A. ZAMSKY, JOYCE THARALSON,  
and THE ERLING THARALSON INVESTMENT  
CO., INC.

Defendants.

Case No. 9000885 CV

DECREE AND JUDGMENT

This matter came before the Court on the Motion of Plaintiff, Frank F. Ganong for the entry of a Decree and Judgment as provided for by the executed Stipulations of Frank F. Ganong, Steven A. Zamsky, Joyce Tharalson and The Erling Tharalson Investment Co., Inc. which were filed with said Motion.

#### FINDINGS OF FACT

Based on said Stipulations, the Court finds as follows:

1. On or about November 14, 1978, Frank F. Ganong, Steven A. Zamsky, Eric Tharalson and E. Tharalson formed a partnership for the purpose of purchasing and developing a tract of unimproved real property in Klamath County, Oregon.

2. In furtherance of the purpose of the partnership, the partners purchased a tract of land which is described on Exhibit A attached hereto and incorporated herein by this reference.

3. In purchasing said land the partners executed a certain promissory note dated November 14, 1978 in the face amount of \$175,964.73 and payable to James B. Minturn and Barbara B. Minturn, as joint tenants, and Lawrence Russell and Billy Russell, as joint tenants. Said note was secured by a mortgage executed by the partners and recorded in volume M-78 at page 25580 of the mortgage records of Klamath County, Oregon.

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1           4. Thereafter, the partners undertook to perform the terms  
2 and obligations of said note and mortgage and to develop said  
3 property.

4           5. In 1982, Eric Tharalson died and his interest in the  
5 partnership was assumed by his surviving spouse, Joyce Tharalson.

6           6. By instrument dated March 8, 1979, E. Tharalson assigned  
7 his interest in the partnership to The Erling Tharalson  
8 Investment Co., Inc., a Nevada Corporation.

9           7. The original agreement between the partners was that  
10 Frank Ganong owned a 10% interest, Steven Zamsky and Eric  
11 Tharalson each owned a 25% interest and E. Tharalson owned a 40%  
12 interest in the partnership.

13           8. On or about June 1, 1985, Frank F. Ganong completed the  
14 full payment of his 10% contribution toward the purchase price  
15 and costs of development of the subject property.

16           9. On or about August 8, 1985, the partnership agreement  
17 was amended to provide that The Erling Tharalson Investment Co.,  
18 Inc. owned a 40% interest and paid 40% of the total costs of the  
19 partnership; that Steven Zamsky, Joyce Tharalson and Frank Ganong  
20 each owned a 20% interest in the partnership, but that Steven  
21 Zamsky and Joyce Tharalson would each pay 25% of the installment  
22 payments due on the promissory note and that Frank Ganong would  
23 pay 10% of said payments.

24           10. On or about February 1, 1989, Steven Zamsky  
25 discontinued performing his obligations under the said  
26 partnership agreement and thereafter did not pay his prorata  
27 share of the installment payment on said note, or his prorata  
28

1 share of the real property taxes and irrigation district  
2 assessments levied against the subject property.

3 11. As of the date of this Stipulation the said note and  
4 mortgage are in default due to the failure to make the full  
5 monthly installment payments and the failure to pay real property  
6 taxes and assessments levied against the property before they  
7 become delinquent. The holders of said note and mortgage have  
8 demanded that the partners perform the terms and obligations of  
9 said note and mortgage.

10 12. As of the date of this Stipulation, the value of Steven  
11 A. Zamsky's interest in the partnership is worthless and nothing  
12 is due from the partnership to Steven A. Zamsky.

13 13. Frank F. Ganong, Joyce Tharalson and The Erling  
14 Tharalson Investment Co., Inc. desire to continue the business of  
15 the partnership until such time as they are able to sell the  
16 above said property.

17 DECREE

18 Based on the foregoing Findings of Fact, the Court hereby  
19 Decrees as follows:

20 A. That the relationship of the Plaintiff and  
21 Defendants is that of general partners and that the property  
22 described on Exhibit A is and, at all times material hereto, has  
23 been an asset of the Partnership;

24 B. Defendant Steven A. Zamsky has failed to pay and  
25 perform the obligations required of him by the partnership  
26 agreement;

1 C. That the partnership of Frank F. Ganong, Steven A.  
2 Zamsky, Joyce Tharalson and The Erling Tharalson Investment Co.,  
3 Inc. is dissolved;

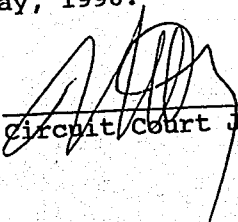
4 D. Nothing is due from the partnership to Steven A.  
5 Zamsky, that his interest in the partnership has no value and  
6 that Steven A. Zamsky has no further interest in the partnership;

7 F. That Frank F. Ganong, Joyce Tharalson and The  
8 Erling Tharalson Investment Co., Inc. may continue the business  
9 of the partnership as a partnership;

10 G. That the costs of this suit are a debt of the  
11 partnership incurred in dissolving the partnership; and

12 H. That the continuing partnership owns the real  
13 property described on Exhibit A as a partnership free and clear  
14 of any right, title or interest of Steven A. Zamsky or anyone  
15 claiming by or through Steven A. Zamsky.

16 Dated this 17 day of May, 1990.

17   
18 Circuit Court Judge

19 ✓  
20 This Decree was submitted by:

21 William M. Ganong, OSB No. 78213  
22 292 Main Street  
23 Klamath Falls, OR 97601  
24 Telephone: (503) 882-7228  
25  
26  
27  
28

## EXHIBIT A

Legal Description of  
Bristol Park of Commerce Partnership Property

All that real property situated in Klamath County, State of Oregon, described as:

The West one-half of Lot 12 ALTAMONT RANCH TRACTS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

AND ALSO ALL of Lots 13 and 14 of Altamont Ranch Tract EXCEPT the East 500 feet; ALSO EXCEPT: Beginning at the Northwest corner of Lot 13 of Altamont Ranch Tracts in Section 10, Township 39 South, Range 9 East of the Willamette Meridian, in Klamath County, Oregon; thence South 88 degrees 40' East 20 feet; thence South 4 degrees 25' East 531.5 feet; thence South 0 degrees 06' East 109 feet; thence North 88 degrees 40' West 60 feet; thence North 0 degrees 06' West 639 feet to the point of beginning;

Also except any portion thereof conveyed to Klamath County, Oregon for road purposes.

EXHIBIT A

Legal Description of  
Business Bank of Commerce Partnership Property

All that land properly situated in Klamath County, Oregon,  
more particularly described as:

The East one-half of Lot 12 ALAMONT RANCH TRACT, according  
to the official plat thereof on file in the office of the  
County Clerk of Klamath County, Oregon.

AND ALSO ALL of Lots 13 and 14 of ALAMONT RANCH TRACT  
KNOWN as West 500 feet; ALSO EXCEPT: Beginning at the  
Northwest corner of Lot 13 of ALAMONT RANCH TRACT in  
Section 10, Township 13 South, Range 2 East of the  
Williamson Meridian, in Klamath County, Oregon; thence South  
40 degrees 10' East 10 feet; thence South 4 degrees 15' East  
111.6 feet; thence South 0 degrees 00' East 100 feet; thence  
North 40 degrees 10' West 60 feet; thence North 0 degrees  
00' West 60 feet to the point of beginning;

Also except any portion thereof conveyed to Klamath County,  
Oregon for road purposes.

STATE OF OREGON )  
County of Klamath )

I, LYN G. HARDY Clerk of the Circuit Court of the County of Klamath  
and the State of Oregon do hereby certify that the foregoing copy has been  
by me compared with the original, and that it is a transcript therefrom, and  
that such original on the same appears on file or of record in my  
office in my care and custody.



WHEREOF, I have hereunto set my hand and affixed  
the seal of said Court, this 17 day of May A.D. 1990

LYN G. HARDY Clerk of Court

By \_\_\_\_\_

After recording return to: William M. Ganong, 292 Main St  
Klamath Falls, Or 97601

STATE OF OREGON: COUNTY OF KLAMATH: ss

Filed for record at request of Wm. M. Ganong the 18th day  
of May A.D., 19 90 at 11:45 o'clock A M., and duly recorded in Vol. M90  
of Co. Lien Docket on Page 9509.

FEE \$30.00

Evelyn Biehn, County Clerk

By Pauline Mueller