

59519

Vol. 1998 Page 19718

PROMISSORY NOTE

Note Amount \$20,000.00
 Interest Rate 10.5%
 Term 18 months
 Payment Amount each month \$1,205.75

The borrower, Ken Bailey, promises to pay Bill Tjerrild, (18) eighteen monthly payments of \$1,205.75, beginning February 10, 1996, and continuing each month on the 10th of the month for a total of 18 payments. Late payments will accrue interest at the 10.5% rate. There is no prepayment penalty for early payment. The borrower posts as collateral for this note, certain railroad ties in inventory and the balance secured by his trailer inventory at Sway-Tamer. This note is binding on all assigns and heirs of the parties involved.

Agreed to this 9th day of January, 1996.

Ken E. Bailey

Ken E. Bailey
 Borrower Ken Bailey

Bill Tjerrild
 Lender Bill Tjerrild

Witness Ken E. Bailey
 TO
 Bailey
 signature.

Witness TO Ken E. Bailey Signature

STATE OF OREGON,

County of Klamath

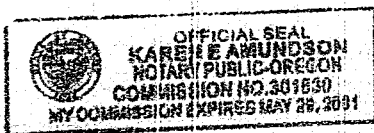
ss.

FORM No. 23--ACKNOWLEDGMENT.
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BE IT REMEMBERED, That on this 9th day of June, 1996, before me, the undersigned, a Notary Public in and for the State of Oregon, personally appeared the within named Ken E. Bailey

known to me to be the identical individual described in and who executed the within instrument and acknowledged to me that He executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.



Karen E. Arundson
 Notary Public for Oregon
 My commission expires 5-29-01

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Ken Bailey the 10th day of June A.D., 19 96 at 9:27 o'clock A.M., and duly recorded in Vol. M98 of Miscellaneous on Page 19718

FEE \$5.00

Return: Ken Bailey
 5212 Washburn Way
 KFO 97603

By Bernetha G. Letsch, County Clerk