

Mark Schoellkopf
PO Box 551
Klamath OR
97626

2007-001981

Klamath County, Oregon



00014426200700019810030034

02/05/2007 03:07:30 PM

Fee: \$31.00

PROMISSORY NOTE

\$35,000.00

February 5, 2007 MS
Klamath Falls, Oregon

FOR VALUE RECEIVED, the undersigned, Mark Schoellkopf, an individual, ("Maker") promise(s) to pay to the order of the David R. LaMothe Revocable Trust dated April 3, 1996 David R. LaMothe Trustee, his successors or assigns ("DRL"), the principal sum of Thirty Five Thousand Dollars and 00/100 (\$35,000.00) ("Principal"), together with interest on the unpaid Principal balance outstanding from the date hereof until paid at the rate of Five Percent (5%) per annum ("Note Rate"). Interest shall be computed on the basis of a three hundred sixty (360) day year having twelve, thirty day months. Principal and interest accrued thereon, together with all other sums which may be at any time due, owing or required to be paid by the terms of the Deed of Trust (hereinafter defined) and other Loan Documents (as defined in the Deed of Trust) are hereinafter collectively called the "Indebtedness".

I. Payments.

A. On March 1, 2007, and on the first day of each succeeding month thereafter ("Regular Payment Date"), to and including March 1, 2012, Principal and interest shall be paid in fixed monthly installments of Six Hundred Sixty Dollars and 49/100 (\$660.49) each ("Monthly Payment"). A final payment of all outstanding Principal and accrued and unpaid interest thereon shall be due and payable on March 1, 2012 ("Maturity Date").

B. All required payments are to be made to David R. LaMothe, 5008 Fairway Road Westwood, Kansas 66205.

C. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Deed of Trust and other Loan Documents.

II. Events of Default.

A. It shall constitute an event of default ("Event of Default") of and under this Promissory Note ("Note") if any of the following events shall occur:

1. Maker shall fail to pay any installment of Principal and interest when due under this Note. However, Monthly Payments received by DRL within ten (10) days of the Regular Payment Date shall be considered made as required. If payment is not received by DRL by the tenth (10th) day of the month when due, the Default Rate shall apply from the first day of the month.

2. Maker shall fail to perform or observe any of the other covenants, agreements or conditions of this Note or an Event of Default shall occur under any of the other Loan Documents now or hereafter evidencing or securing the Indebtedness.

III. Prepayment.

A. This Loan can be prepaid by Maker at any time without penalty.

IV. Payment of Taxes and Fees.

Maker agrees to pay all costs, expenses, fees and taxes on or with respect to the execution, delivery, recordation, existence or possession of this Note, the Deed of Trust and other Loan Documents, including, without limitation, all recording fees and any documentary stamp tax or intangible personal property tax now or hereafter required by Applicable Law to be affixed or paid with respect to this Note, the Deed of Trust or the other Loan Documents.

IN WITNESS WHEREOF, Maker has executed, or caused these presents to be executed, as of the day and year first above written.

Maker's Address:

MAKER:

Mark Schoellkopf

By:

Mark Schoellkopf

STATE OF OREGON)

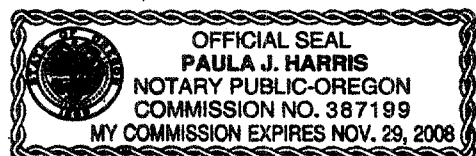
COUNTY OF Klamath) SS:

I, Paula J. Harris, a Notary Public in and for and residing in said County, in the State aforesaid, DO HEREBY CERTIFY THAT Mark Schoellkopf, personally known to me to be the same person whose names is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act for the uses and purposes therein set forth.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, this ___ day of February, 2007

Paula J. Harris
Notary Public

My Commission Expires: Nov 29, 2008



52475 Hwy 62
Fort Klamath, OR 97626

R-3307-V22BB-2700

The Southerly 120 feet of Lot 3, Block 3, Town of Fort Klamath, Oregon, according to the duly recorded plat thereof on file in Klamath County, Oregon.

AND giving and granting unto the grantees an easement and right to use water from a Well located on the Southerly 50 feet of the Northerly 60 feet of Lot 4, Block 3, Fort Klamath, Oregon, for domestic purposes for use on the real property herein conveyed and to maintain a pipeline from said Well across the said Southerly 50 feet of the Northerly 60 feet of said Lot 4, Block 3, for the purpose of conveying water from said Well to the property herein conveyed.