

2010-014057

Klamath County, Oregon



00093904201000140570030038

12/10/2010 12:10:06 PM

Fee: \$47.00

INSTALLMENT PROMISSORY NOTE

Date: December 15th 2010

For value received, the undersigned Tom Luna and Kim Luna, husband and wife will full rights of survivorship (the "Borrower"), at 735 Riverside Drive Klamath Falls Oregon, promises to pay to the order of James C. and Robin L. Marsden, husband and wife will full rights of survivorship (the "Lender"), at 1492 Lakeshore Drive, Klamath Falls Oregon, (or at such other place as the Lender may designate in writing) the remaining balance of \$333,645 with interest from November 15th 2010 on the unpaid principal at the rate of 5% per annum.

The purpose of this Note is to amend and supersede any and all previous agreements to repay this obligation.

This Note acknowledges the following associated documents:

- 1) Warranty Deed: Dated November 13th 2006 recorded in the Klamath County Records office as document 2006-023861
- 2) All-Inclusive Trust Deed: Dated November 1st 2006 recorded in the Klamath County Records office as document 2006-023862

The unpaid principal and accrued interest shall be payable in monthly installments of \$1791.08, beginning on December 15th, 2010 and continuing until the original due date from the All-Inclusive Trust Deed, of November 30th 2036, (the "Due Date"), at which time the remaining unpaid principal and interest shall be due in full.

All payments on this Note shall be applied first in payment of accrued interest and any remainder in payment of principal.

If any payment obligation under this Note is not paid when due, the remaining unpaid principal balance and any accrued interest shall become due immediately at the option of the Lender.

The Borrower reserves the right to prepay this Note (in whole or in part) prior to the Due Date with no prepayment penalty.

If any payment obligation under this Note is not paid when due, the Borrower promises to pay all costs of collection, including reasonable attorney fees, whether or not a lawsuit is connected as part of the collection process.

This Note is secured by real property located at 735 Riverside Drive Klamath Falls Oregon. (See exhibit A for legal description of property)

The Lender is not required to rely on the above security instrument and the assets secured therein for the payment of this Note in the case of default, but may proceed directly against the Borrower.

If any of the following events of default occur, this Note and any other obligations of the Borrower to the Lender, shall become due immediately, without demand or notice:

- 1) the failure of the Borrower to pay the principal and any accrued interest in full on or before the Due Date;
- 2) the death of the Borrower or Lender;
- 3) the filing of bankruptcy proceedings involving the Borrower as a debtor;

47 - Returned @ Counter

Tom Luna

- 4) the application for the appointment of a receiver for the Borrower;
- 5) the making of a general assignment for the benefit of the Borrower's creditors;
- 6) the insolvency of the Borrower;

In addition the Borrower shall be in default if there is a sale, transfer, assignment, or any other disposition of any assets pledged as security for the payment of this Note, or if there is a default in any security agreement which secures the Note.

If any one or more of the provisions of this Note are deemed to be unenforceable, in whole or in part, for any reason, the remaining provisions shall remain fully operative.

All payments of principal and interest on this Note shall be paid in the legal currency of the United States. The Borrower waives presentment for payment, protest, and notice of protest and nonpayment of this Note.

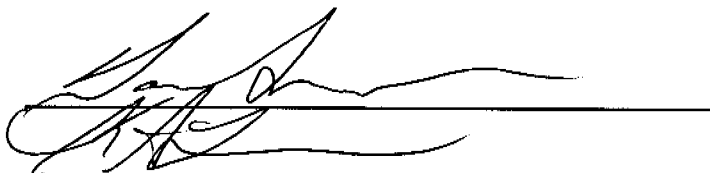
No renewal or extension of this Note, delay in enforcing any right of the Lender under this Note, or assignment by Lender of this Note shall affect the liability or the obligation of the Borrower. All rights of the Lender under this Note are cumulative and may be exercised con

This Note shall be governed by and construed in accordance with the laws of the State of Oregon.

This Note may not be changed orally.

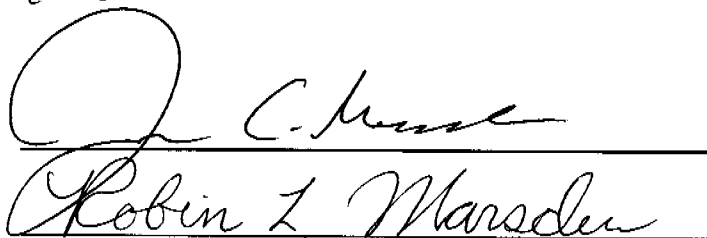
MAKER:

Tom Luna
735 Riverside Dr
Klamath Falls, Oregon



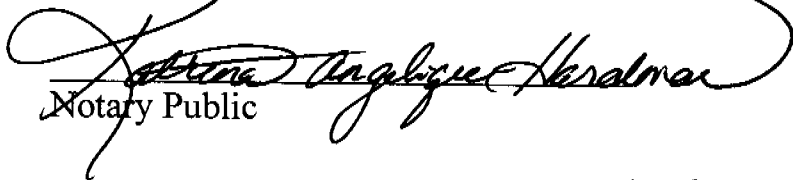
LENDER:

James C. and Robin L. Marsden
1492 Lakeshore Dr
Klamath Falls, Oregon



STATE OF OREGON
COUNTY OF KLAMATH

The foregoing instrument was acknowledged before me on this 10 day of December 2010 by Katrina Angelique Hardman as Notary Public.



Notary Public

My Commission Expires: 10/5/13



Exhibit A

A tract of land in Government Lot 1 of Section 5, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Commencing at the Northwest corner of said Section 5; thence East 1908.8 feet along the North line of said Section, to an intersection with the centerline of the Riverside Spur Track of the Great Northern Railway Co.; thence South $21^{\circ} 35'$ East, along said centerline, 657.83 feet; thence South $68^{\circ} 25'$ West 22.5 feet to the Northeast corner of a tract of land conveyed to the Natural Gas Corporation of Oregon by Deed recorded October 27, 1930 in Deed Book 93, Page 171, Microfilm Records of Klamath County, Oregon; thence South $68^{\circ} 25'$ West 68.19 feet; thence North $14^{\circ} 00'$ West 103 feet; thence North $87^{\circ} 00'$ East 28.6 feet to a line parallel and 50.00 feet Southwesterly of the centerline of said Spur Track and is the right of way boundary of said Spur Track and is the true beginning of this description; thence North $21^{\circ} 35'$ West 370 feet, more or less, along said right of way boundary to a point of intersection with a line lying 205.0 feet South and parallel to the North line of Section 5; thence West 246.0 feet along said line parallel to the North line of Section 5 to an intersection with the Easterly boundary of the right of way of the Klamath Falls-Ashland Highway; thence South $14^{\circ} 30'$ East 199.8 feet; thence South $23^{\circ} 50'$ East 74.2 feet to the centerline of a certain roadway easement, 24 feet in width as reserved in deed recorded August 17, 1955 in Deed Book 276, Page 484, Deed Records of Klamath County, Oregon; thence North $81^{\circ} 40'$ East along said centerline 113.5 feet; thence Southeasterly on said centerline along a 32° curve to the right through an angle of $67^{\circ} 24'$ for a distance of 210.6 feet; thence Southeasterly on said centerline and tangent to said curve to a point in the Southerly boundary of said tract formerly owned by The Great Northern Railway and the true beginning of this description.

CODE 004 MAP 3909-005BA TL 00300 KEY #531632