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VARIABLE INTEREST AGREEMENT

Loan No. 138702

THIS AGREEMENT, Made this 15th day of March, 19 71, between Theodore J. Albert and Margurette L. Albert, Husband and Wife, and I. L. Harris, a single person hereinafter designated as Mortgagors, and The Federal Land Bank of Spokane, a corporation, in the City of Spokane, Washington, hereinafter designated as Mortgagee. WITNESSETH:

THAT, WHEREAS, by mortgage recorded as instrument No. --- in Book M-69 of Mortgages, at page 7097, records of Klamath County, State of Oregon, Mortgagors, or their predecessors in interest, mortgaged to The Federal Land Bank of Spokane the real property described therein to secure the payment of the indebtedness evidenced by the promissory note described in said mortgage, reference to which mortgage as so recorded and promissory note are hereby made for the terms thereof and the description of said property; and

WHEREAS, There is owing mortgagee on the debt secured by said mortgage, principal in the sum of \$ 36,822.76, as of March 1, 19 71, being the date as of which this agreement is effective, plus accrued interest thereon at the rate provided in said note to said effective date; and

WHEREAS, said mortgage and note provide that mortgagors will pay interest at the rate of 8 1/2 % on the unmatured principal owing; and

WHEREAS, Mortgagors desire that said mortgage contract and note be amended to provide for a variable interest rate commencing with a 7 3/4 % rate as of the effective date of this agreement.

NOW, THEREFORE, In consideration of the premises and the mutual promises of the parties hereto it is agreed:

That said principal sum now owing under said mortgage as hereinabove set forth with accrued interest as above recited and with interest from said effective date at the rate of 7 3/4 % per annum shall be paid as follows: Interest shall be payable on the first day of November 1, 19 71, and --- annually thereafter; the principal shall be payable in 18 instalments of

One Thousand Nine Hundred Thirty-eight and 04/100----- DOLLARS

each, the first such instalment being payable on the first day of November 1, 19 71, and an instalment being payable on each succeeding interest payment date to and including the first day of November 1, 1988, and a final instalment of the balance unpaid on the first day of November 1, 1989, unless this debt shall be matured sooner by extra payments.

The interest rate specified above shall remain in effect until the next interest instalment date; but on said date, and on any subsequent instalment date, the bank, at its option, may establish a higher or lower rate of interest which shall apply to the unmatured balance of the debt evidenced hereby and shall remain in effect until a different rate of interest is established hereunder. Such different rates shall be established in accordance with the provisions of the Federal Farm Loan Act and the regulations of the Farm Credit Administration as then existing; and shall not be applied retroactively.

The said mortgage and the lien thereof (except as to any property heretofore released therefrom of record) and the Note secured thereby, including the variable interest rate to which the note is hereby converted, are continued in full force and effect in each of the covenants and agreements therein contained.

This agreement is for the benefit of and binding upon the heirs, representatives, successors and assigns of all parties executing the same, respectively.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day and year first above written.

THE FEDERAL LAND BANK OF SPOKANE

By

Wayne Harris
Assistant Vice President

Attest:

Wayne Harris
Assistant Secretary
Mortgagee

State of Oregon)
County of Klamath) ss.

On 15th day of March, 19 71, before me personally appeared Theodore J. Albert and Margurette L. Albert, Husband and wife, and I. L. Harris, a single person

to me known to be the person(s) described in and who executed the foregoing instrument, and acknowledged that (he)(she)(they) executed the same as (his)(her)(their) free act and deed.

Notary Public

My commission expires Dec. 5, 1972

FLB 673 (3-71)

FORM No. 725-SATISFAC

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THE FEDERAL LAND BANK OF SPOKANE

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