

MORTGAGE REAMORTIZATION AGREEMENT

(Loan No. 177842-8)

THIS AGREEMENT Made this 2nd day of May, 1986, between

Alfred C. Carleton and Helen Agnes Carleton, husband and wife; George A. Carleton;
and Richmond J. Carleton; and Carleton Bros., Inc., a partnership consisting of
Richmond J. Carleton and George A. Carleton
 hereinafter designated as Mortgagors, and The Federal Land Bank of Spokane, a corporation organized and existing
 under the Farm Credit Act of 1971, with its principal place of business in the City of Spokane, County of Spokane,
 State of Washington, hereinafter designated as Mortgagee. WITNESSETH:

THAT, WHEREAS, By mortgage recorded as instrument No. 64908 in Book M-79 of Mortgages,
 at page 7212, records of Klamath County, State of Oregon,
 Mortgagors, or their predecessors in interest, mortgaged to The Federal Land Bank of Spokane, a corporation, the
 real property described therein, reference to which mortgage as so recorded is hereby made for the terms thereof,
 and the description of said property; and

WHEREAS, There is owing Mortgagee upon the debt secured by said mortgage the aggregate sum of
\$ 62,601.95 as of April 1, 1986, being the date as of which this agreement is
 effective; and

WHEREAS, The Mortgagors desire that the said indebtedness be reamortized;

NOW, THEREFORE, In consideration of the premises and the mutual promises of the parties hereto it is agreed:
 That the said total sum now owing under said mortgage, as hereinabove set forth, with interest from the date
 as of which this agreement is effective at the rate of 12.25% per annum on an amortization plan, shall be
 paid as follows:

Interest on the aggregate sum shall be payable on the first day of April, 1987, and
annually thereafter; the aggregate sum shall be payable in 22 installments of principal and interest
 of Eight Thousand Two Hundred Forty Six and 84/100 DOLLARS
 each, the first installment being payable on the first day of April, 1987, and an installment
 being payable on each succeeding interest payment date to and including the first day of April, 2008
 and a final installment of the balance unpaid on the first day of April, 2009, unless
 this debt shall be matured sooner by extra payments.

The Mortgagee may, from time to time, establish a higher or lower rate of interest which shall then apply to
 the unmatured balance of the debt evidenced hereby and shall remain in effect until a different rate is established.
 Such different rates shall be established in accordance with the provisions of the Farm Credit Act of 1971 and
 the regulations of the Farm Credit Administration as then existing.

The non-payment when due of any sum, principal or interest, shall cause the assessment of default interest and,
 if provided in the original mortgage, late charges. The default rate after the effective date hereof is the interest
 rate from time to time in effect for this loan, plus two percent per annum. If applicable, the late charge after the
 effective date hereof is five percent of the installment. After acceleration of the secured obligations, the entire amount
 due and payable shall thereafter bear interest until paid at the default rate which was in effect at the time of
 acceleration.

Any Mortgagor hereof may at any time pay any amount of principal hereon in advance of its maturity. Unless
 the Mortgagee otherwise elects, any such payment shall operate to reduce the balance owing and to discharge the
 debt evidenced hereby at an earlier date, but shall not alter the obligation to pay full installments periodically
 as above provided until the debt is paid in full.

In consideration of the change in terms of payment herein provided, Mortgagors hereby covenant and agree to
 pay the said aggregate amount unpaid under the terms of said note and mortgage, with interest at the rates specified
 herein, at the times and in the amounts as above set forth, it being expressly agreed that if Mortgagors were not
 heretofore personally liable under said note and mortgage they hereby assume and agree to pay the debt owing
 thereunder, and to perform each of the other agreements therein named.

The said mortgage and the lien thereof (except as to any property heretofore released therefrom of record) and
 the note secured thereby, as the times for payment are hereby changed, are continued in full force and effect in
 each of the covenants and agreements therein contained; and mortgagee may at its option declare the entire
 indebtedness due and payable upon default in the payment of any of the sums secured, when due as so specified,
 or for any other cause for acceleration of maturity specified in said mortgage.

Mortgagee hereby expressly reserves all rights against sureties, guarantors and all parties liable for the payment
 of said indebtedness, and any persons who may have any interest in or lien upon any or all of the property so
 mortgaged, who do not consent hereto, and the right of itself and of all such parties to maintain any action on
 the original note and mortgage necessary to preserve such rights. All rights of any one against whom rights are
 herein reserved may be enforced as if this agreement had not been made.

The Mortgagors and all other persons hereafter becoming liable for the payment of the above debt consent to
 all indulgences, extensions, renewals and reamortizations granted or permitted by the Mortgagee.
 This agreement is for the benefit of and binding upon the heirs, representatives, successors and assigns of all
 parties executing the same, respectively.

9736

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

Written by Alfred C. Carleton

Alfred C. Carleton

Helen Agnes Carleton

George A. Carleton

Richmond J. Carleton

CARLETON BROS. INC.

BY: George A. Carleton

George A. Carleton, Partner

BY: Richmond J. Carleton

Richmond J. Carleton, Partner

Mortgagors

THE FEDERAL LAND BANK OF SPOKANE

By: Christy Christel

Christy Christel

Authorized Agent
Mortgagee

STATE OF Oregon

County of Klamath

On this 21st day of May, 1986, before me personally appeared

Alfred C. Carleton and Helen Agnes Carleton

known to me to be the person(s) described in and whose name(s) are subscribed to and who executed the within instrument and acknowledged to me that they executed, signed and sealed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and notarial seal the day and year last above written.

Carol Chidder

Notary Public in and for the State of Oregon

Residing at Klamath Falls

My commission expires 10-18-86

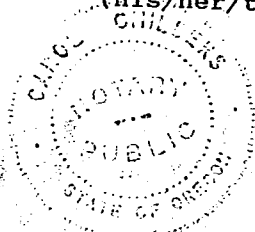
Return to:

INTERSTATE FEDERAL LAND BANK ASSOCIATION
P. O. BOX 148
KLAMATH FALLS, OREGON 97601

STATE OF Oregon)
County of Klamath) ss.

9797

On this 21st day of May, 19 86, before me personally appeared George A. Carleton, known to me to be the person(s) described in and who executed the within instrument, and acknowledged that (he/she/they) executed the same as (his/her/their) free act and deed.



Carol Chidlers
Notary Public for the State of Oregon
Residing at Klamath Falls
My commission expires 10-18-86

STATE OF Oregon)
County of Klamath) ss.

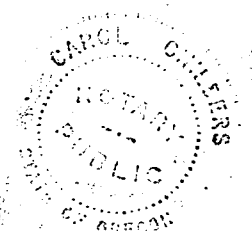
On this 21st day of May, 19 86, before me personally appeared Richmond J. Carleton, known to me to be the person(s) described in and who executed the within instrument, and acknowledged that (he/she/they) executed the same as (his/her/their) free act and deed.



Carol Chidlers
Notary Public for the State of Oregon
Residing at Klamath Falls
My commission expires 10-18-86

STATE OF Oregon)
County of Klamath) ss.

On this 21st day of May, 19 86, before me personally appeared George A. Carleton and Richmond J. Carleton, known to me to be the partners in the partnership which executed the within instrument, and acknowledged that they executed the same as such partners and in the partnership name freely and voluntarily.



Carol Chidlers
Notary Public for the State of Oregon
Residing at Klamath Falls
My Commission Expires 10-18-86

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the _____ day
of June A.D., 19 86 at 8:46 o'clock A M., and duly recorded in Vol. M86
of _____ Mortgages on Page 9795

FEE \$13.00

Evelyn Biehn, County Clerk
By Don Smith