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K-39026

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## AMENDMENT TO MORTGAGE

DATED: September 22, 1986BETWEEN: GREGORY AFFILIATES, INC. ("Mortgagor")  
and

UNITED STATES NATIONAL BANK OF OREGON ("Lender")

This instrument amends that certain Mortgage dated November 25, 1985, recorded on December 9, 1985, in Volume M85, Page 19973, Mortgage Records, Klamath County, Oregon, and Book 932 recorded on December 6, 1985, as instrument number 85-15244, Mortgage Records, Douglas County, Oregon, said Mortgage covering real property shown on attached Exhibit A in Klamath County, Oregon, and the real property shown on attached Exhibit B in Douglas County, Oregon.

The above described Mortgage is hereby amended to add the following as debt fully secured by said Mortgage and to include the following within the word "Indebtedness" as used in said Mortgage:

1. Note dated September 22, 1986 in the face amount of \$5,000,000.00 signed by Gregory Affiliates, Inc. in favor of United States National Bank of Oregon ("Lender"), said note having a maturity of October 30, 1989.
2. By the acceptance of this Amendment to Mortgage, Lender is committing itself to accept executed forms of "Application and Agreement for Letter of Credit" whereby either (i) the Mortgagor or (ii) Northwest Timber Affiliates, Inc., or (iii) Gregory Timber Resources, Inc. applies to Lender for, and Lender agrees to issue, its Letters of Credit (Credits) up to the face amount not to exceed \$3,000,000.00 at any one time in favor of either United States Forest Service or the Bureau of Land Management provided no Credit may expire later than June 30, 1987, or at such later date as the parties may agree. The word "Indebtedness," as used at the beginning of the "Mortgage-Oregon," covers all amounts which Lender, as issuer of the Credits may, at any time hereafter, have to pay to the United States Forest Service or the Bureau of Land Management or their assigns, under these Credits, together with all interest thereon, and together with all costs and fees which the Lender may incur in connection with the issuance of the Credits, all as stated more fully in the forms of application referred to above.
3. Note dated September 22, 1986 in the face amount of \$2,000,000.00 signed by Gregory Affiliates, Inc. in favor of United States National Bank of Oregon, said note having a maturity of January 30, 1987. This promissory note was signed in

DOUGLAS COUNTY TITLE COMPANY

P.O. Box 1700

ROSEBURG, OREGON 97470

DOUGLAS COUNTY TITLE COMPANY

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conjunction with a revolving credit financing program between Lender and Borrower. The parties contemplate that the outstanding principal balance of the Note will vary from time to time as payments are received and new advances are made to the Borrower pursuant to the revolving credit financing program. All liabilities and obligations of the Borrower to Lender of every kind and description, direct and indirect, absolute or contingent, due or to become due, now existing or hereafter arising in connection with the revolving credit financing program, are included in the term "Indebtedness" as used in this Mortgage.

4. All amounts which Gregory Affiliates, Inc. promises to pay Lender, not to exceed \$6,000,000.00 in principal, plus interest, embodied in a Loan and Security Agreement dated March 19, 1986 signed by Gregory Affiliates, Inc. in favor of Lender.

5. Any default in the payment of any Note, Letter of Credit, Loan and Security Agreement, or other debt comprising the Indebtedness, shall be a default with respect to all other Notes, Letters of Credit, Loan and Security Agreements, and other debt comprising the Indebtedness, and shall entitle the Lender to exercise any rights and remedies for all of such defaults as are given to Lender by the Mortgage amended hereby.

Except as provided above, all terms, conditions and obligations of said Mortgage remain in full force and effect.

LENDER: United States National Bank of Oregon

by Judith E. Lane

Title Judith E. Lane Vice President

MORTGAGOR: Gregory Affiliates, Inc.

by Richard D. Snyder

Title Vice President-Finance

STATE OF OREGON

WASHINGTON  
County of Multnomah

) ss.

Sept. 22, 19 86

Personally appeared Richard D. Snyder, who being duly sworn, stated that - he is the VICE PRESIDENT - FINANCE of the corporation that executed this AMENDMENT TO MORTGAGE and that said instrument was voluntarily signed in behalf of the corporation by authority of its Board of Directors, and HE acknowledged said instrument to be his voluntary act and deed.

Before me:

[Signature]

Notary Public for Oregon

My commission expires: May 12, 1988

STATE OF OREGON

County of Mult

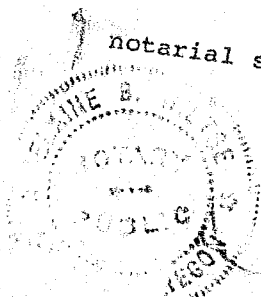
) ss.

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Sept. 22, 19 86

THIS CERTIFIES that on this 22 day of Sept. 19 86, before me, the undersigned, a notary public in and for said county and state, personally appeared Judith E Lane to me personally known, who, being duly sworn, did say that she, the said Judith E Lane, is a Vice President of the UNITED STATES NATIONAL BANK OF OREGON, the within named national banking association, and that the said instrument was signed in behalf of said association by authority of its Board of Directors, and said Judith E Lane Vice President acknowledged said instrument to be the free act and deed of said association.

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



Elaine B. Wells  
Notary Public for Oregon  
My commission expires: 5/6/90

After recording, return to:  
United States National Bank of Oregon  
ATTN: J. Lane, Vice President  
321 S.W. 6th, BB-4  
Portland, OR 97204

EXHIBIT "A"

PARCEL 1: Government Lots 2 and 4 of Section 13 Township 38 South, Range 8 East, Willamette Meridian, BUT EXCEPTING THEREFROM the Northerly and Northeasterly parts thereof deeded to R. W. Browning, et ux., by deed recorded in Deed Vol. 210, page 321, Klamath County, Oregon.

Also, that part of Lot 3 Section 13 Township 38 South, Range 8 East, Willamette Meridian which lies Northeasterly of the right of way of the Central Pacific Railway Company.

PARCEL 2:  $\frac{3}{4}$ SW $\frac{1}{4}$  Section 27 Township 36 South, Range 9 East Willamette Meridian.

Order No. 58832

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PARCEL 1

EXHIBIT "B"

Beginning at the northwest corner of the Southwest quarter of Section 33, Township 32 South, Range 6 West, Willamette Meridian, Douglas County, Oregon; thence East 500 feet; thence South 1390 feet to center of County Road; thence North  $53^{\circ} 30'$  West 642 feet to section line; thence North, along section line, 1016 feet to the place of beginning.

PARCEL 2

A tract or parcel of land beginning at a point which is an iron pipe  $1\frac{1}{2}$  inches by 24 inches from which the one quarter post between Sections 32 and 33, Township 32 South, Range 6 West, Willamette Meridian, bears North  $35^{\circ} 45'$  West 825.2 feet; thence North  $60^{\circ} 22'$  East 1094.2 feet to an iron pipe  $1\frac{1}{2}$  inches by 24 inches; thence South  $24^{\circ} 56'$  East 358.3 feet to an iron pipe  $1\frac{1}{2}$  inches by 24 inches; thence South 208.7 feet to an iron pipe  $1\frac{1}{2}$  inches by 24 inches; thence West 365.8 feet to an iron pipe  $1\frac{1}{2}$  inches by 24 inches on the north boundary of the County Road; thence along the north boundary of the County Road, North  $51^{\circ} 24'$  West 968.5 feet to an iron pipe  $1\frac{1}{2}$  inches by 24 inches; thence North  $2^{\circ} 02'$  East 694.3 feet to the place of beginning, all in Douglas County, Oregon.

PARCEL 3

A tract of land in the Southwest quarter of Section 33, Township 32 South, Range 6 West, Willamette Meridian, Douglas County, Oregon, and more particularly described and bounded as follows: Beginning at a point on the northerly boundary line of the County Road between Glendale and Lystul Siding, said point being marked by a  $1\frac{1}{2}$  inch by 24 inch iron pipe and from which the quarter section corner between Sections 32 and 33, Township 32 South, Range 6 West, Willamette Meridian, bears North  $31^{\circ} 03'$  West 2313.1 feet distant; running thence South  $51^{\circ} 02'$  East, a distance of 494.9 feet to a point in the center of the lane running northerly to the Cunningham Residence; thence North  $2^{\circ} 30'$  East, along the centerline of said land, a distance of 1636.4 feet to a point; thence North  $24^{\circ} 34'$  West a distance of 206.1 feet to a point marked with a  $1\frac{1}{2}$  inch by 24 inch iron pipe; thence South  $00^{\circ} 22'$  West a distance of 208.7 feet to a point marked with a  $1\frac{1}{2}$  inch by 24 inch iron pipe; thence North  $89^{\circ} 38'$  West a distance of 365.8 feet to a point marked with a  $1\frac{1}{2}$  inch by 24 inch iron pipe; thence South  $00^{\circ} 22'$  West a distance of 1304.6 feet to the place of beginning.

continued



PARCEL 4

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Beginning at a point 500 feet East of the quarter corner between Sections 32 and 33, Township 32 South, Range 6 West, Willamette Meridian, Douglas County, Oregon; thence South 695.7 feet to an iron pipe; thence North 60° 22' East 1094.2 feet to an iron pipe; thence South 24° 56' East 358.3 feet to an iron pipe; thence South 24° 34' East 206.1 feet to center of lane; thence South 2° 30' West 1636.4 feet along centerline of said lane to northline of County Road; thence North 87° East 442.2 feet to center of Windy Creek; thence North 40° 40' East 218.0 feet; thence North 74.88 feet to an iron pipe; thence North 70° East 240.9 feet; thence North 209.3 feet; thence West 14.64 feet; thence North 775.0 feet; thence East 225.0 feet to north and south centerline of Section 33; thence North along centerline of Section 33, 1000 feet, more or less, to the center of Section 33; thence West 2140.0 feet, more or less, to the place of beginning.

PARCEL 5

All of the Northeast quarter of Section 33, Township 32 South, Range 6 West, Willamette Meridian, Douglas County, Oregon, lying North and West of the westerly right of way of County Road No. 28, LESS and EXCEPT parcel of land in Volume 83, Page 427, Records of Douglas County, Oregon, described as follows: Beginning at the northeast corner of Section 33; thence South 11.32 chains to the center of County Road; thence South 67° West 2.20 chains; thence South 33° West 4.90 chains; thence West 6.72 chains; thence North 01° West 16.28 chains; thence East 11.66 chains to the point of beginning.

PARCEL 6

Beginning at a point located North 10° 49' 55" West 2703.30 feet and South 89° 05' 17" East 364.68 feet from the south quarter corner of said Section 33, said point at the southeast corner of Assessor Tax Lot No. 8-1 and on the east-west centerline of said section; thence North 01° 17' 45" East 167.16 feet following existing fenceline to a point; thence North 88° 47' 32" East 189.43 feet following existing fenceline to the north-south centerline of said Section 33; thence South 01° 01' 57" West 174.16 feet to the intersection of the north-south and east-west centerlines of said section; thence North 89° 05' 17" West 190.05 feet, more or less, along said east-west centerline to the point of beginning, in Section 33, Township 32 South, Range 6 West, Willamette Meridian, Douglas County, Oregon.

PARCEL 7

A tract of land situate in the Southeast quarter of Section 32, Township 32 South, Range 6 West, Willamette Meridian, Douglas County, Oregon, more particularly described as follows: Beginning at a point on the line between Sections 32 and 33, Township 32 South, Range 6 West, Willamette Meridian, 674.9 feet South of the quarter corner between Sections 32 and 33; thence North 74° West a distance of 114.9 feet to a point; thence South 71° West a distance of 510.6 feet to a point; thence South 30° West a distance of 738.1 feet to a point; thence South 22° East a distance of 600 feet to a point; thence South 51° 45' East a distance of 154.8 feet to a point; thence South 77° East a distance of 261.2 feet to a point on the aforesaid line between Sections 32 and 33, Township 32 South, Range 6 West, Willamette Meridian; thence North, following the said line, 1583.6 feet to the place of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of \_\_\_\_\_  
of \_\_\_\_\_ October \_\_\_\_\_ A.D., 19 86 at 8:32 o'clock \_\_\_\_\_ A.M., and duly recorded in Vol. \_\_\_\_\_ No. \_\_\_\_\_  
of \_\_\_\_\_ Mortgages \_\_\_\_\_ on Page 18027

FEE \$25.00

Evelyn Biehn, County Clerk  
By \_\_\_\_\_