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FCB No. 188698-0

Volume Page 3777

MTL-20874
 AGREEMENT TO MODIFY NOTE AND MORTGAGE/DEED OF TRUST

Effective on January 1, 1989, the undersigned, Urbach Farms, Inc.,
a corporation; John W. Urbach and Lura O. Urbach, husband and wife

hereinafter referred to as "Borrower," and the Farm Credit Bank of Spokane,
 a corporation, successor in merger to The Federal Land Bank of Spokane,
 hereinafter referred to as "Bank," agree that that certain note dated
July 14, 1981, in the original principal sum of One Hundred Six
Thousand Five Hundred and no cents----- Dollars (\$ 106,500.00) and any
 amendments thereto (the "Original Note") shall be amended and restated in its
 entirety by the Note dated January 1, 1989, (the "Note"), being
 payable in installments, the last of which is due and payable on the first
 day of December, 1999. Borrower shall execute and deliver to Bank
 the Note upon execution of this Agreement. A Rider summarizing the terms and
 provisions of the Note is attached hereto as Exhibit 1 and by reference
 incorporated herein. The Note evidences the same debt evidenced by the
 Original Note. The Note and the Original Note both shall be cancelled upon
 full payment of the debt evidenced by the Note as provided herein.

The Original Note is secured by mortgage recorded August 18, 1981, as
Instrument No. 3359 in Book M-81 of mortgages, at page 14707, records of
Klamath County, Oregon

encumbering the real and/or personal property as described therein, reference
 to which Mortgage or Deed of Trust as so recorded is hereby made for the
 terms thereof, and the description of said property. Such Mortgage or Deed
 of Trust and any other security documents which were executed and delivered
 to secure the payment of the Original Note (the "Security Documents") are
 modified by the terms of this Agreement and the Note. The Security Documents
 shall include any new Security Documents executed by Borrower in connection
 with the Note and this Agreement. The Security Documents shall secure the
 payment of the Original Note and the Note. Borrower and Bank agree that,
 except as herein modified, all other provisions of the Security Documents
 will remain in full force and effect as originally agreed upon.

Borrower agrees this Agreement and the Note modify the terms of the Original
 Note and Security Documents and provide for the indexing and adjustment of
 the interest rate, payment terms and balance due on the obligation.

Each Borrower agrees to maintain complete and accurate financial books and
 records for such Borrower's business. Each of the undersigned Borrowers
 shall provide annually, within 90 days of the end of each Borrower's fiscal
 year, in a form prescribed by or acceptable to Bank, a current balance sheet
 and a current income and expense statement certified to be complete and
 accurate or, at the option of Bank, audited by an independent accountant at
 the expense of Borrower.

Within 30 days after execution of this Agreement, Borrower shall provide Bank
 with an endorsement to Bank's title insurance policy which endorsement shall
 insure the enforceability and continued first lien priority of the Mortgage
 or Deed of Trust. Borrower shall pay the premium and all other charges for
 the endorsement together with all fees and costs, including but not limited
 to appraisal, survey, recording, attorney's, or similar fees, incurred by
 Bank in evaluating the Application and preparing and recording this Agreement
 and any Security Documents (the "Premium, Fees and Costs").

Borrower agrees to take any action requested by Bank to complete, perfect or
 continue the Borrower's obligation or the lien and priority of the Security
 Documents. Borrower understands and agrees that Bank may record this Agree-
 ment or any memorandum thereof.

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The following parties join in this instrument to consent to and affirm the Bank's lien position in collateral as established by Security Documents above described which collateral shall continue to be security for the debt evidenced by the Original Note and the Note; provided, however, said parties assume no liability for payment of the debt and shall not be bound by the personal covenants of this Agreement, the Note or the Security Documents: None.

Signed this 3 day of March, 19 89.

BORROWERS:

FARM CREDIT BANK OF SPOKANE

URBACH FARMS, INC.

By:

Authorized Agent

BY:

John W. Urbach, President

John W. Urbach

ATTEST:

Lura O. Urbach, Secretary

Lura O. Urbach

STATE OF Oregon)
County of Klamath) ss.

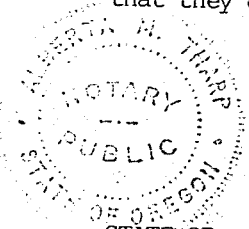
On this 3rd day of March, 19 89, before me personally appeared John W. Urbach and Lura O. Urbach, known to me to be the President and Secretary, respectively of the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same as its free act and deed; and each on oath stated that he/she was authorized to execute said instrument.

Robert M. Shars
Notary Public for the State of Oregon
Residing at Klamath Falls
My commission expires 10-30-92

AGREEMENT TO MODIFY NOTE AND
MORTGAGE/DEED OF TRUST: 2

STATE OF Oregon)
 : ss.
 County of Klamath)

On this 3rd day of March, 19 89, before me personally appeared John W. Urbach and Lura O. Urbach known to me to be the persons described in and who executed the within instrument, and acknowledged to me that they executed the same as their free act and deed.



Albert M. Sharp
 Notary Public for the State of Oregon
 Residing at Klamath Falls
 My commission expires 10-30-92

STATE OF Oregon)
 : ss.
 County of Klamath)

On this 3rd day of March, 19 89, before me personally appeared Greg Williams, known to me to be an authorized agent of the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same as its free act and deed; and on oath stated that he/she was authorized to execute said instrument.



Albert M. Sharp
 Notary Public for the State of Oregon
 Residing at Klamath Falls
 My commission expires 10-30-92

RETURN: FARM CREDIT SERVICES
 900 KLAMATH AVENUE
 KFU 97601

EXHIBIT 1

VARIABLE RATE RIDER

THIS VARIABLE RATE RIDER ("Rider") is made this 1st day of January, 1989 and is incorporated into and amends and supplements that certain Agreement to Modify Note and Mortgage/Deed of Trust dated January 1, 1989 for the purpose of providing notice of the terms and provisions of the obligations evidenced by that certain Note (the "Note") given by the Borrower to Farm Credit Bank of Spokane ("Bank") or Bank's predecessor in merger, The Federal Land Bank of Spokane, dated January 1, 1989 for the principal sum of Seventy-Six Thousand Eight Hundred Seventy-Seven and 66 cents (\$ 76,877.66).

1. INTEREST RATE AND ANNUAL PAYMENT CHANGES

The Note provides for an Initial Interest Rate. The Note provides for changes in the interest rate and the payments, as summarized below and pursuant to the default provisions of the Note.

- (a) Real Estate Variable Base Agricultural Rate: The Real Estate Variable Base Agricultural Rate ("Variable BAR") is a per annum interest rate determined from time to time by Bank in its sole discretion.
- (b) Variable Interest Rate Changes: Borrower shall pay interest on the Adjusted Principal Balance on and after each change in the Variable BAR at the per annum interest rate equal to the sum of the Variable BAR in effect on such date plus or minus a constant as described in the Note.
- ☐ (c) Partially Fixed Interest Rate: If checked, the Initial Interest Rate of the Note shall remain in effect until the first day of _____, after which the interest shall be changed to a variable interest rate as described in Section 1(a) and (b) above. The Partially Fixed Interest Rate may increase in the event of default.

2. FIXED INTEREST RATE CONVERSION OPTION

The Note provides for the Borrower to convert from a variable interest rate to a fixed rate, as follows:

- (a) Option to Convert to Fixed Rate: If Bank is then offering a Fixed Interest Rate as determined under Section 2(b) below to new borrowers, Borrower may elect to change the interest rate to the Fixed Interest Rate on the first day of any month (the "Conversion Date") by payment of a fee of one percent of the Adjusted Principal Balance (the "Conversion Fee"). Borrower may not make such election if a default occurs and is uncured on or before the Conversion Date. Thereafter, the interest rate shall be changed on the Conversion Date as set forth in Section 2(b) below.
- (b) Fixed Interest Rate: The Fixed Interest Rate is the per annum interest rate which Bank in its sole discretion determines is appropriate for a new Fixed Interest Rate loan on the Conversion Date of an amount equal to the Adjusted Principal Balance with similar term and conditions to a borrower with the same credit characteristics as Borrower. Borrower shall pay interest on the Adjusted Principal Balance on and after the Conversion Date at the Fixed Interest Rate.

☐ If checked, the Note provides for a limit on the Variable and Fixed Interest Rate.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co. the 3rd day of March A.D., 19 89 at 4:17 o'clock P.M., and duly recorded in Vol. MB9 of Mortgages on Page 3777.

Evelyn Biehn
By Pauline M. Mudd County Clerk

FEE \$18.00