

7354

FCB No. 196079-2  
022801 301 01Vol. M89 Page 21200K-36329  
**AGREEMENT TO MODIFY NOTE AND MORTGAGE/DEED OF TRUST**

Effective on and deemed to be dated on October 1, 19 89, the undersigned, Michael B. Jager and Margaret H. Jager, husband and wife; whose mailing address is P.O. Box 345, Glenbrook, NV 89413,

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 25, 1983 in the original principal sum of Two Hundred Thirty-five Thousand and no cents Dollars (\$235,000.00), and any amendments thereto (the "Original Note"), shall be amended and restated in its entirety by the Note dated October 1, 1989 (the "Note"), being payable in installments, the last of which is due and payable on the first day of July, 2018. 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 Original Note is secured by Mortgage recorded August 8, 1983, as Instrument No. 26686 in Volume M83 of mortgages, at page 13038, records of Klamath County, Oregon; and Security Agreement recorded November 1, 1989, as Instrument No. N/A in Book M89 of mortgages, at page 21039, records of Klamath County, Oregon,

encumbering the real and/or personal property as described therein, reference to which Mortgage(s) or Deed(s) of Trust as so recorded is hereby made for the terms thereof, and the description of said property. Such Mortgage(s) or Deed(s) 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 and any other documents and instruments of any kind 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 shall 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.

If required by Bank, 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 incurred by Bank in evaluating the Application and preparing and recording this Agreement, the Note and any Security Documents (the "Premium"). 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 Agreement or any memorandum thereof.

Upon execution of this Agreement, Borrower shall pay Bank a fee of \$ - 0 - or \_\_\_\_\_% of the unpaid principal balance of the Original Note (the "Conversion Fee"). Borrower's obligation to pay the Conversion Fee and the Premium shall be treated for all purposes as a payment required under the Original Note and the Note. The Conversion Fee and the Premium shall not reduce any other amount due under the Original Note or the Note. The principal sum under the Note shall include all or any portion of the Conversion Fee and the Premium which Bank and Borrower agree shall be included in said principal sum. If Borrower cannot provide the endorsement by the date required by this Agreement, Bank shall refund to Borrower the Conversion Fee minus the sum of any cancellation fee for the endorsement and any other fees and costs incurred by Bank. Bank and Borrower thereafter shall have no further obligations under this Agreement, and the Original Note shall continue in full force and effect; provided, however, any unpaid portion of the Premium shall be a payment required under the Original Note.

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 1 day of November, 1989, being the last date signed by any party to this Agreement.

BORROWERS:

FARM CREDIT BANK OF SPOKANE

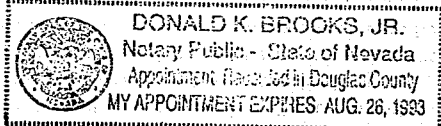
Michael B. Jager  
Michael B. Jager

By Greg Williams  
Authorized Agent

Margaret H. Jager  
Margaret H. Jager

STATE OF Nevada  
County of Douglas : ss.

On this 9th day of October, 1989, before me personally appeared Michael B. Jager and Margaret H. Jager, 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.



Donald K. Brooks  
Notary Public for the State of Nevada  
Residing at Zephyr Cove Nevada  
My commission expires 8/26/93

STATE OF Oregon  
County of Klamath : ss.

On this 1st day of November, 1989, 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.

Shirley Cahill  
Notary Public for the State of OR  
Residing at Klamath Falls, OR  
My commission expires 6-16-93

ECB No. 196079-2  
022801 301 01

# EXHIBIT I

## VARIABLE RATE RIDER

THIS VARIABLE RATE RIDER ("Rider") is made this 1st day of October, 19 89, and is incorporated into and amends and supplements that certain Agreement to Modify Note and Mortgage/Deed of Trust dated October 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 October 1, 1989 for the principal sum of One Hundred Ninety-three Thousand Eight Hundred Forty-nine and 67 cents----- Dollars (\$ 193,849.67 ). The terms of the Note provide that the interest rate, payment terms or amounts due under the Note may be indexed, adjusted, renewed or renegotiated upon subsequent written agreement of the parties.

### INTEREST RATE AND ANNUAL PAYMENT CHANGES

The Note provides for an initial interest rate and changes in the interest rate and the payments which are summarized below.

1. **Farm Credit Bank Variable Base Rate:** The Farm Credit Bank Variable Base Rate ("FCB Variable Base") is a per annum interest rate determined from time to time by Bank in its sole discretion.
2. **Variable Interest Rate Changes:** Borrower shall pay interest on the Adjusted Principal Balance on and after each change in the FCB Variable Base at the per annum interest rate equal to the sum of the FCB Variable Base in effect on such date plus a constant as described in the Note.

Return to: Farm Credit  
P.O. Box 148  
Klamath Falls, Or 97601

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co. the 2nd day of Nov. A.D., 19 89 at 3:41 o'clock PM., and duly recorded in Vol. M89, of Mortgages on Page 21200.

FEE \$18.00

Evelyn Biehn County Clerk

By Pauline Muelenders