

2019-005775

Klamath County, Oregon



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05/23/2019 11:28:38 AM

Fee: \$97.00

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**CONSTRUCTION MODIFICATION AGREEMENT  
(Fixed Interest Rate)**

This Construction Modification Agreement (the "Agreement"), made and effective this 20th day of May, 2019, between First Community Credit Union ("Lender") and Joseph Smith and Sarah Smith ("Borrower"), modifies and amends certain terms of Borrower's indebtedness evidenced by (1) the interim construction financing fixed interest rate Note (the "Fixed Rate Note") to Lender dated the 23<sup>rd</sup> day of July, 2018, in the original principal sum of U.S. \$331,000.00 and secured by (2) the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") and Rider(s), if any, dated the same date as the Fixed Rate Note and recorded in Mortgage Records of Klamath County and State of Oregon. The Security Instrument covers the real and personal property described in the Security Instrument and defined as the "Property", located at:

2018-8715

6047 Mason Ln, Klamath Falls, OR 97601  
[Property Address]

the real property described being set forth as follows:

SE1/4 SE1/4; W1/2 SE1/4 of Section 2, Township 39 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

EXCEPTING THERFROM that portion conveyed for Property Line Adjustment #4-15 described as follows: Beginning at a point on the South line of Parcel 2 of Land Partition 31-93, from which the Southeast corner of said Parcel 2 bears North 89° 32' 43" East 35.00 feet; thence South 00° 03' 34" East 329.54 feet; Thence South 65° 17' 52" West 490.22 feet; thence North 10° 23' 30" West 95.18 feet; Thence North 20° 16' 20" West 147.22 feet; thence North 09° 22' 19" West 23.47 feet; thence North 32° 36' 18" West 114.41 feet; thence North 39° 19' 24" West 146.40 feet; thence North 65° 10' 05" West 18.66 feet; thence North 74° 00' 30" West 40.60 feet; thence North 56° 38' 53" East 83.02 feet to a point on the said South line of Parcel 2; thence North 89° 32' 43" East 658.07 feet to the point of beginning.

EXCEPTING THEREFROM laying in Long Lake Road.

Borrower and Lender agree that on or before the date of this Agreement the construction or renovation, as applicable, of the Property has been completed and that all loan proceeds have been disbursed to Borrower in accordance with the terms of the Fixed Rate Note. Borrower and Lender have agreed to modify the terms of the Fixed Rate Note and Security Instrument in accordance with the terms of this Agreement. This Agreement is not a novation.

Colton Sargent

Returned at Counter

In consideration of the mutual promises and agreements exchanged, Lender and Borrower agree as follows (notwithstanding anything to the contrary contained in the Fixed Rate Note and Security Instrument):

1. Current Loan Balance. As of **May 20, 2019**, the amount payable under the Fixed Rate Note and Security Instrument, each as modified by this Agreement (the "Unpaid Principal Balance"), is U.S. **\$306,000.00**.

Interest, if any, has been paid through the date of this Agreement.

2. Note Modification. The terms and provisions of the interim construction financing stated in the Fixed Rate Note in Paragraphs 2 and 3, are amended and modified as follows:
  - (a) Interest. Borrower promises to pay the Unpaid Principal Balance, plus interest, to the order of Lender. Interest will be charged on the unpaid principal until the full amount of the Unpaid Principal Balance has been paid. Borrower must pay interest at a yearly rate of **4.000%**. This interest rate shall apply both before and after any default described in the Fixed Rate Note.
  - (b) Payments. Borrower promises to make monthly payments in the amount of U.S. **\$1,487.08**.

Borrower shall pay principal and interest by making a payment every month. Borrower shall make the monthly payment on the **1st** day of each month beginning on **July, 2019**. Borrower shall make these payments every month until Borrower has paid all of the principal and interest and any other charges described in the Fixed Rate Note. The monthly payments shall be applied as stated in the Fixed Rate Note.

If on **June 1, 2048** (the "Maturity Date"), Borrower still owes amounts under the Fixed Rate Note and the Security Instrument, each as amended by this Agreement, Borrower will pay those amounts in full on the Maturity Date.

Borrower must make the monthly payments at the place stated in the Fixed Rate Note or such other place as Lender may require.

- (c) Other Terms Remain in Effect. Other terms, including, without limitation, terms related to Borrower's right to prepay, loan charges, late charges and default, obligations of persons under the Note and payment in full in the event of a sale or transfer of the property, that are stated in the Fixed Rate Note remain in full force and effect.
  - (d) Compliance with Covenants. Borrower shall comply with all other covenants, agreements, and requirements of the Security Instrument, including without limitation, Borrower's covenants and agreements to make all payments of taxes, insurance premiums, assessments, escrow items, impounds, and all other payments that Borrower is obligated to make under the Security Instrument.

3. Amendments to the Security Instrument. The terms and provisions of the interim construction financing stated in the Security Instrument are amended and modified as follows; those marked are applicable:
- ☐ (a) Increase in Principal Balance. The Unpaid Principal Balance of the Note that is secured by this Security Instrument has been increased by U.S. \$0.00.
  - ☒ (b) Decrease in Principal Balance. The Unpaid Principal Balance of the Note that is secured by this Security Instrument has been decreased by U.S. \$25,000.00.
  - ☒ (c) Change in Maturity Date. The Unpaid Principal Balance if not paid sooner is due in full not later than **June 1, 2048**.
  - ☒ (d) Security Instrument Riders Cancelled. The rider(s) to the Security Instrument pertaining to the interim construction financing are null and void and of no further effect as of the date of this Agreement.
  - ☐ (e) Additional Security Instrument Rider(s). The terms and conditions of the Security Instrument are further amended and modified by the terms and conditions stated in the Security Instrument Rider(s), dated the date of this Agreement, fully executed and delivered by Borrower, and attached to and incorporated into this Agreement by reference.
4. Recordation. This Agreement shall be recorded, together with any applicable attachments, in all places where the Security Instrument is recorded.
5. No Release. Nothing in this Agreement shall be understood or construed to be a satisfaction or release in whole or in part of the Fixed Rate Note or Security Instrument. Except where otherwise specifically provided in this Agreement, the Fixed Rate Note and Security Instrument shall remain unchanged, and Borrower and Lender will be bound by, and comply with, all of the terms and provisions of these instruments, as amended by this Agreement.

In Witness Whereof, Lender and Borrower have executed this Agreement

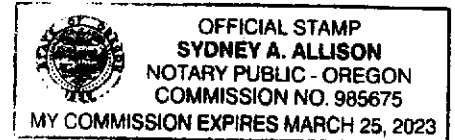


By: \_\_\_\_\_

*[Signature]*

5-22-19  
Date of Lender's Signature

*[Signature]* (Seal)  
Joseph Smith  
*[Signature]* (Seal)  
Sarah Smith



### Acknowledgment in an Individual Capacity

State of Oregon  
County of Klamath

This instrument was acknowledged before me on May 22, 2019 by **Joseph Smith**,

*[Signature]*  
Notary Public - State of Oregon

### Acknowledgment in an Individual Capacity

State of Oregon  
County of Klamath

This instrument was acknowledged before me on May 22, 2019 by **Sarah Smith**.

*[Signature]*  
Notary Public - State of Oregon

### Acknowledgment in a Representative Capacity

State of Oregon  
County of Klamath

This instrument was acknowledged before me on May 22, 2019 by

Sydney Allison as Teller  
of First Community Credit Union

*[Signature]*  
Notary Public - State of Oregon