

THIS AGREEMENT, made and entered into this 11th day of February, 19 83, by and between

WILLIAM C. JOHNSTON & REBECCA A. JOHNSTON

hereinafter called the "Mortgagors" and FIRST INTERSTATE BANK OF OREGON, N.A., (formerly known as First National Bank of Oregon, a national banking association) hereinafter called the "Mortgagee".

WITNESSETH:

On or about the 21st day of November, 19 80, the Mortgagors did make, execute and deliver to the Mortgagee their certain promissory note (or, in the case of assumptions, their assumption agreement) in the sum of \$ 24,000.00 with interest thereon at the rate of 15.00 % per annum, payable in consecutive quarterly interest and \$ 6,000.00 annually principal and interest, with the final installment of the indebtedness, if not sooner paid, due and payable on December 31, 1984.

For the purpose of securing the payment of said promissory note the Mortgagors, or their predecessors in interest did make, execute and deliver to the Mortgagee their certain indenture of mortgage, bearing date of November 21, 19 80, on and covering the following described real property, situate in the County of Klamath, State of Oregon, to-wit:

Lots 31 and 32, Block 6, Wagon Trail Acreages Number One, Second Addition.

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which mortgage was duly recorded in the Records of Mortgages of said county and state, November 24, 19 80, No. page 22835.

Said promissory note and mortgage were modified as per modification of mortgage bearing date of December 31, 19 81, which modified the interest rate to 15.00 % and the quarterly of interest and \$ 6,000.00 principal annually and which was duly recorded in the Records of Mortgages of said county and state, December 31, 19 81, No. page 22835.

There is now due and owing upon the promissory note and mortgage the principal sum of TWENTY THREE THOUSAND AND NO/100 (\$ 23,000.00) DOLLARS, together with accrued interest thereon, and the Mortgagors desire a modification of the terms of the payment thereof, to which the Mortgagee is agreeable on the terms and conditions hereinafter stated and not otherwise.

NOW, THEREFORE, in consideration of the premises and of the promises and agreements hereinafter contained, Mortgagors and Mortgagee agree that the balance now due and owing on the promissory note and mortgage described above shall be and is payable in quarterly installments of

INTEREST ONLY

(\$ 23,000.00) DOLLARS each, quarterly interest on the unpaid balance payable at the rate of 15.00 % per annum, which installment includes credit life and disability insurance premiums ("Insurance Premiums"), if any. The first installment shall be and is payable on the 1st day of April, 19 83, and a like installment shall be paid on the 1st day of each month thereafter until the principal and interest and any Insurance Premiums are fully paid, except that the final payment of principal and interest and any Insurance Premiums if not sooner paid, shall be due and payable on the 31st day of July, 19 83. If any of said installments of either principal or interest

or any Insurance Premiums are not so paid, the whole sum of principal, interest and any Insurance Premiums shall become immediately due and payable without notice, at the option of the Mortgagee, its successors or assigns. The principal may be prepaid in whole or in part on any installment date subject to payment of a prepayment premium of one percent during the first five years from the date hereof of that portion, if any, of the sum prepaid in any one year-year-in-excess-of one percent of principal amount now owing on said note as referred to above. Said yearly prepayment privilege without premium shall not be cumulative. Any prepayment of principal shall be applied to the payment of the most remote unpaid installments.

Except as herein modified in the manner and on the terms and conditions hereinabove stated, the said promissory note and mortgage shall be and remain in full force and effect, with all the terms and conditions of which the Mortgagors do agree to comply in the same manner and to the same extent as though the provisions thereof were in all respects incorporated herein and made a part of this agreement.

**NOTICE TO BORROWER. DO NOT SIGN THIS LOAN AGREEMENT BEFORE YOU READ IT. THIS LOAN AGREEMENT PROVIDES FOR THE PAYMENT OF A PENALTY IF YOU WISH TO REPAY THE LOAN PRIOR TO THE DATE PROVIDED FOR REPAYMENT IN THE LOAN AGREEMENT.**

IN WITNESS WHEREOF, the Mortgagors have hereunto set their hands and seals and the Mortgagee has caused these presents to be executed on its behalf by its duly authorized representative this day and year first hereinabove written.

William C. Johnston  
Rebecca A. Johnston

FIRST INTERSTATE BANK OF OREGON, N.A.

By Manly

6125

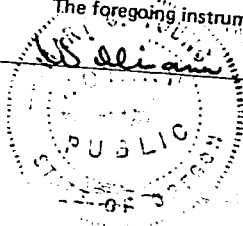
INDIVIDUAL ACKNOWLEDGMENT

STATE OF OREGON

COUNTY OF Lane

2544

The foregoing instrument was acknowledged before me this 14th day of February, 19 83,  
by William C. & Rebecca A. Johnston



Notary Public in and for the State of Oregon  
My commission expires: 6/7/85

CORPORATE ACKNOWLEDGMENT

STATE OF OREGON

COUNTY OF

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_,  
by \_\_\_\_\_  
of \_\_\_\_\_  
a (n) \_\_\_\_\_

\_\_\_\_\_, corporation, on behalf of the corporation.

Notary Public in and for the State of Oregon  
My commission expires: \_\_\_\_\_

PARTNERSHIP ACKNOWLEDGMENT

STATE OF OREGON

COUNTY OF

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_,  
by \_\_\_\_\_, a \_\_\_\_\_  
on behalf of \_\_\_\_\_

\_\_\_\_\_, a partnership.

Notary Public in and for the State of Oregon  
My commission expires: \_\_\_\_\_

Re: 1st Interstake  
Box 10562  
Eugene, OR 97446

BANK ACKNOWLEDGMENT

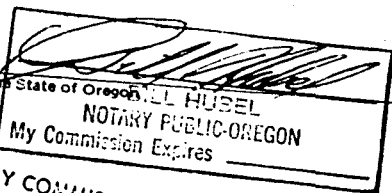
STATE OF OREGON

COUNTY OF Lane

The foregoing instrument was acknowledged before me this 14th day of February, 19 83,  
by Mary G. Kovach

of FIRST INTERSTATE BANK OF OREGON, N.A., on behalf of the association.

Notary Public in and for the State of Oregon  
My commission expires: \_\_\_\_\_



MY COMMISSION EXPIRES 1-12-85

STATE OF OREGON: COUNTY OF KLAMATH ;ss  
I hereby certify that the within instrument was received and filed for  
record on the 17th day of Feb A.D., 19 83 at 11:28 o'clock A M  
and duly recorded in Vol M83, of Mtge on page 2543

FEE \$ 8.00

EVELYN BIEHN COUNTY CLERK  
by [Signature] Deputy