

THIS AGREEMENT, made and entered into this 25th day of November, 1983, by and between DANIEL H. CASE, TRUSTEE of the Roswell Murray Towill and Jeanie Munro Towill Trust, created by agreement dated September 15, 1958, hereinafter called the "Mortgagor" 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 4th day of September, 1973, the predecessor in interest of the Mortgagor did make, execute and deliver to Mortgagee its certain promissory note in the sum of \$250,000.00 with interest thereon at the rate of 8.75% per annum, payable in consecutive monthly installments of \$2,209.30 principal and interest, with the final installment of the indebtedness, if not sooner paid, due and payable on November 10, 1983.

For the purpose of securing the payment of said promissory note, hereinafter called the "Note", the Mortgagor, or its predecessor in interest did make, execute and deliver to the Mortgagee a mortgage, bearing date of September 4, 1973, on and covering the following described real property, situate in the County of Klamath, State of Oregon, to-wit:

A tract of land situated in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 1, Township 39 South, Range 9 East of the Willamette Meridian, more particularly described as follows:

Beginning at a $\frac{3}{4}$ inch iron pipe situated North $28^{\circ}42'36''$ East a distance of 530.82 feet from the Southwest corner of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 1, said point being the Southeast corner of Lot 63 of vacated Roland Park Subdivision; thence North $16^{\circ}34'22''$ East 83.68 feet to a $\frac{5}{8}$ inch iron pin marking the Northeast corner of said Lot 63; thence North $20^{\circ}14'35''$ West 164.97 feet to a $\frac{1}{2}$ inch iron pipe; thence North $45^{\circ}09'00''$ East 214.95 feet, more or less, to a $\frac{5}{8}$ inch iron pin in the right of way fence of State Highway No. 140; thence Southeasterly along the arc of a spiral curve to the right and fence line (long chord bears South $47^{\circ}28'40''$ East a distance of 357.51 feet) to a $\frac{5}{8}$ inch iron pin at the end of said spiral curve; thence South $46^{\circ}04'40''$ East 22.92 feet to a $\frac{5}{8}$ inch iron pin; thence leaving said State Highway right of way South $43^{\circ}51'00''$ West 369.90 feet to a $\frac{3}{4}$ inch iron pipe; thence North $46^{\circ}03'56''$ West 196.46 feet to the point of beginning.

which mortgage was duly recorded in the Records of Mortgages of said county and state, September 6, 1973, Vol. M 73 on Page 11955, hereinafter called the "Mortgage".

On or about the 8th day of June, 1982, the Mortgagor did make, execute and deliver to the Mortgagee its certain assumption agreement under which Mortgagor assumed the outstanding indebtedness existing on the Note and Mortgage, and further agreed to increase the rate of interest to be paid on the Note to 9.75% per annum. The assumption agreement was duly recorded in the Records of Mortgages of the County of Klamath, State of Oregon, June 15, 1982, Vol. M82 on Page 7542.

There is now due and owing upon the Note and Mortgage the principal sum of ONE HUNDRED THIRTY FOUR THOUSAND TWO HUNDRED SIX AND 04/100 of (\$ 134,206.04) DOLLARS, together with accrued interest thereon, and the Mortgagor desires 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, Mortgagor and Mortgagee agree that the balance now due and owing on the Note and Mortgage described above shall be and is payable in monthly installments of THREE THOUSAND ONE HUNDRED FORTY AND 16/100

20324

-----(\$3,140.16) DOLLARS each, including interest on the unpaid balance payable at the rate of 14.25% per annum. The first installment shall be and is payable on the 10th day of December, 1983, and a like installment shall be paid on the 10th day of each month thereafter until the principal and interest are fully paid, except that the final payment of principal and interest, if not sooner paid, shall be due and payable on the 10th day of November, 1988.

If any monthly installment is not paid when due, the principal amount outstanding and accrued interest thereon 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 with no prepayment privilege fee.

Mortgagee may charge a late charge on any scheduled installment which Mortgagee does not receive within 15 days after the due date, or by the next business day, if the 15 day period ends on a Saturday, Sunday or legal holiday. The amount of the late charge shall be two percent of the installment of principal and/or interest and/or portion of such installment which Mortgagee does not receive within the 15 day period. Collection of a late charge shall not constitute a waiver of or prejudice the Mortgagee's right to pursue any other right or remedy available on account of the delinquency.

Covenant Number 6 of the Mortgage is hereby deleted and the following covenant shall be substituted in place thereof:

That if all or any part of the property or an interest therein is sold or transferred by Mortgagor without Mortgagee's prior written consent, Mortgagee may, at Mortgagee's option, declare all sums secured by this mortgage to be immediately due and payable. Mortgagee shall have waived such option if, prior to the sale or transfer, Mortgagee and the person to whom the property is to be sold or transferred reach agreement, in writing, that the credit of such person is satisfactory to Mortgagee and that the interest payable on the sums secured by this mortgage shall be at such a rate as Mortgagee shall request. As a further condition of its consent to any sale or transfer of interest of all or any part of the property, Mortgagee may at its discretion impose a service charge not to exceed one percent of the principal sum then owing upon the promissory note and this mortgage. Mortgagee's consent to any sale or transfer of interest of all or any part of the property shall not relieve Mortgagor of liability for any indebtedness evidenced by the promissory note or this mortgage.

Except as herein modified in the manner and on the terms and conditions hereinabove stated, the said Note and Mortgage shall be and remain in full force and effect, with all the terms and conditions of which the Mortgagor does 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.

IN WITNESS WHEREOF, the Mortgagor has hereunto set its hand and seal and the Mortgagee has caused these presents to be executed on its behalf by its duly authorized representative this day and year first above written.

Daniel H. Case, Trustee
Daniel H. Case, Trustee of the Roswell
Murray Towill and Jeanie Munro Towill
Trust

FIRST INTERSTATE BANK OF OREGON, N.A.

By: [Signature]

STATE OF HAWAII)
CITY AND) ss.
COUNTY OF HONOLULU)

The foregoing instrument was acknowledged before me this 17th day of November, 1983, by Daniel H. Case, Trustee.

My Commission Expires:

December 14, 1983

Orin V. Tabucan
Notary Public in and for the State of
Oregon Hawaii

STATE OF OREGON)
) ss.
COUNTY OF KLAMATH)

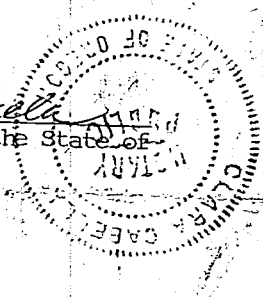
20325

The foregoing instrument was acknowledged before me this 14th day of November, 1983, by K. Glick Assistant Vice President of First Interstate Bank of Oregon, N.A., on behalf of the association.

My Commission Expires:

April 8, 1984

Clara Caffery
Notary Public in and for the State of
Oregon



STATE OF OREGON,)
County of Klamath)
Filed for record at request of

on this 25th day of Nov. A.D. 19 83
at 1:15 o'clock P M, and duly
recorded in Vol. M83 of Mortgages
Page 20323

EVELYN BIEHN, County Clerk

By Sam Smith Deputy

Fee 12.00

Return to:
First Interstate