

MODIFICATION OF NOTE AND MORTGAGE

THIS AGREEMENT, made and entered into this 24th day of January, 19 84, by and between
WILLIAM C. JOHNSTON AND 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 annual installments of \$ 6,000.00 principal and interest, with the final installment of the indebtedness, if not sooner paid, due and payable on December 31, 1984 and quarterly installments of interest only, 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 21st, 19 80, on and covering the following described real property, situate in the County of Klamath, State of Oregon, to-wit:

Lot 31 and 32, Block 6, WAGON TRAIL ACREAGES NUMBER ONE, SECOND ADDITION.

which mortgage was duly recorded in the Records of Mortgages of said county and state, November 24th, 19 80, Vol M80 No. Page 22835.

Said promissory note and mortgage were modified as per modification of mortgage bearing date of August 5th, 19 83, which modified the interest rate to 15.00 % and the monthly installment to \$ 500.00 and which was duly recorded in the Records of Mortgages of said county and state, August 12th, 19 83, No. Vol M83 Page 13466.

There is now due and owing upon the promissory note and mortgage the principal sum of

TWENTY THOUSAND AND NO/100 * * *

(S *20,000.00*) 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*

(S Interest Only) DOLLARS each, 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 March, 19 84, and a like installment shall be paid on the 1st day of each quarter 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 1st day of August, 19 84. 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 any percent during the first five years from the date hereof of that portion, if any, of the sum prepaid in any one loan year in excess of any 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.

FIRST INTERSTATE BANK OF OREGON, N.A.

By [Signature]

NOTE

1708

INDIVIDUAL ACKNOWLEDGMENT

STATE OF OREGON

COUNTY OF

Lane

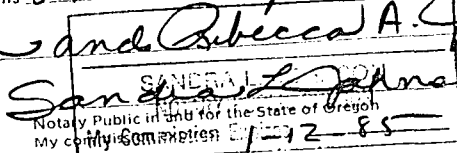
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The foregoing instrument was acknowledged before me this 24th day of January, 19 84.

by William C. Johnston and Rebecca A. Johnston



CORPORATE ACKNOWLEDGMENT

STATE OF OREGON

COUNTY OF

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The foregoing instrument was acknowledged before me this _____ day of _____, 19 _____.

by _____

of _____ corporation, on behalf of the corporation.

a (n) _____

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

PARTNERSHIP ACKNOWLEDGMENT

STATE OF OREGON

COUNTY OF

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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:

BANK ACKNOWLEDGMENT

STATE OF OREGON

COUNTY OF

Lane

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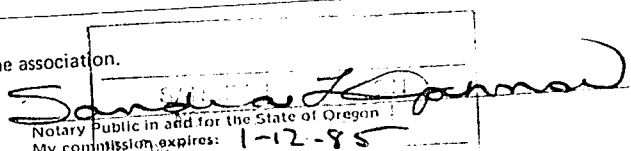
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The foregoing instrument was acknowledged before me this 24th day of January, 19 84.

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

First Interstate Bank
of Oregon, N.A.
Eugene Main Branch
P. O. Box 10566
Eugene, Oregon 97440



STATE OF OREGON: COUNTY OF KLAMATH:ss

I hereby certify that the within instrument was received and filed for record on the 1st day of February A.D., 19 84 at 11:51 o'clock A M, and duly recorded in Vol MS4, of Mortgages on page 1707.

EVELYN BLENN, COUNTY CLERK

Fee \$ 8.00

by [Signature] Deputy