

MODIFICATION OF MORTGAGE OR TRUST DEED

THIS AGREEMENT, made and entered into this 16th day of December, 19 88, by and between
Richard D. Arnett and Marilyn Joan Arnett

hereinafter called the "Borrower(s)" and WESTERN BANK, an Oregon banking corporation, hereinafter called the "Bank":

WITNESSETH: On or about the 19th day of January, 19 88, the Borrower(s) (or the original maker(s) if the Borrower is an assignee of record) did make, execute and deliver to the Bank that certain promissory note in the sum of \$ 19,806.08, payable in monthly installments with interest at the rate of *12.00% per annum. For the purpose of securing the payment of said promissory note, the Borrower(s) (or the original maker(s) if the Borrower is an assignee of record) did make, execute and deliver to the Bank their certain Mortgage or Trust Deed, hereinafter called a "Security Instrument" bearing date of January 19, 19 88, conveying the following described real property, situate in the County of Klamath, State of Oregon to-wit: *Western Bank Base Rate +3.25%

A parcel of land in the S $\frac{1}{2}$ of the NE $\frac{1}{4}$ of Section 14, Township 39 South, Range 9, East of the Willamette Meridian, described as follows:

Beginning at an iron pipe on the East line of Homedale Road 30 feet East and 228.65 feet South from the Northwest corner of said S $\frac{1}{2}$ of NE $\frac{1}{4}$ of SE $\frac{1}{4}$ and running thence North 89°37' East 187.8 feet; thence South parallel to Homedale Road 160 feet to an iron pipe; thence South 89°37' West 187.8 feet to an iron pipe on the East line of Homedale Road; thence North along said East line 160 feet to the point of beginning.

which Security Instrument was duly recorded in the records of said county and state.

There is now due and owing upon the promissory note aforesaid, the principal sum of Eight thousand one hundred forty three and 47/100----- DOLLARS (\$ **8,143.47**), together with the accrued interest thereon, and the Borrower(s) desire a modification of the terms of payment thereof, to which the Bank 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, the parties hereto do hereby agree that the balance now due and owing on the promissory note hereinabove described shall be and is payable in monthly installments of **Two hundred seventy seven and 65/100** DOLLARS (\$ **277.65**) each, including interest on the unpaid balance at the rate of 13.75% per annum. The first installment shall be and is payable on the 18th day of January, 19 89, and a like installment shall be and is payable on the 18th 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 18th day of December, 19 91. If any of said installments or either principal or interest are not so paid, the entire balance then owing shall, at the option of the Bank or its successors in interest, become immediately due and payable without notice.

Except as herein modified in the manner and on the terms and conditions herein stated, the said promissory note and Security Instrument shall be in full force and effect, with all the terms and conditions of which the Borrower(s) 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.

IN WITNESS WHEREOF, the Borrower(s) have hereunto set their hand(s) and seal(s) and the Bank has caused these presents to be executed on its behalf by its duly authorized representative this day and year first hereinabove written.

Richard D. Arnett
 Signature of Borrower

WESTERN BANK

Marilyn Joan Arnett
 Signature of Borrower

Klamath Falls Branch
 By Mark Turner
 Authorized Signature

State of Oregon)
 County of Klamath) SS:
 Personally appeared the above named Richard D. Arnett and Marilyn Joan Arnett

and acknowledged the foregoing instrument to be their voluntary act and deed. Before me:

Return To: Western Bank
P.O. Box 669
Klamath Falls, OR 97601

Carolene N. Marshall
 Notary Public for Oregon
 My commission expires 2-9-90

RE-2B 5/80

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Western Bank the 9th day of Jan. A.D., 19 89 at 10:24 o'clock A.M., and duly recorded in Vol. M89 of Mortgages on Page 472.

FEE \$8.00

Evelyn Biehn County Clerk

By Carolene N. Marshall