

ADDENDUM TO
ASSIGNMENT AND MORTGAGE

SPN
February
DATED: January 3, 1989

PARTIES: GAYLE PAYNE NICHOLSON
220 Washburn Way
Klamath Falls, OR 97601

"Assignor-Mortgagor"

SOUTH VALLEY STATE BANK
5215 South Sixth Street
Klamath Falls, OR 97603

"Assignee-Mortgagee"

R E C I T A L S:

A. On June 1, 1987 the parties hereto entered into an Assignment and Mortgage, which was recorded in Volume M-87, page 9664, Records of Klamath County, Oregon on June 4, 1987.

B. The Assignor-Mortgagor desires to borrow additional funds upon said Assignment and Mortgage and the Assignment and Mortgage provides for future advances.

C. The real property concerned is described in Exhibit "A" attached hereto.

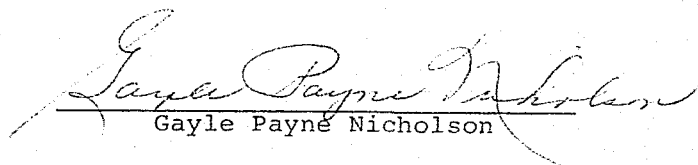
ADDENDUM

SECTION 3. PURPOSE:

This conveyance is intended as a mortgage to secure the performance of the covenants and agreements herein contained and contained in any loan agreement, security agreement or other agreement between Mortgagor and Mortgagee, and to secure the payment of a loan or loans in the sum of One Hundred Forty Thousand and No/100ths (\$140,000.00) DOLLARS, as evidenced by a promissory note or notes held by the Mortgagee, together with interest payable on the unpaid balances thereof at the rates specified in the notes or at such other rates prescribed from time to time by Mortgagee in accordance with law and agreement with Mortgagor, and any or all renewals or extensions thereof. All covenants and provisions of this Mortgage shall bind the successors and assigns of Mortgagor and shall inure to the benefit of the successors and assigns of Mortgagee. This Mortgage shall also include any and all future advances made by Mortgagee to Mortgagor.

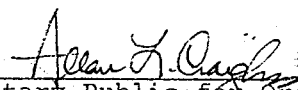
All terms and provisions of the Assignment and Mortgage will be valid and subsisting.

ASSIGNOR-MORTGAGOR


Gayle Payne Nicholson

STATE OF OREGON) ~~At~~ February
) ss. January 6, 1989.
County of Klamath)

Personally appeared the above-named GAYLE PAYNE NICHOLSON and acknowledged the foregoing instrument to be her voluntary act. Before me:


Notary Public for Oregon
My Commission expires: 6-12-92

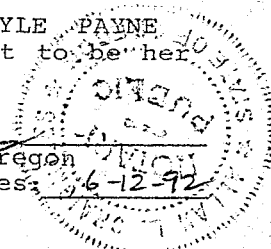


EXHIBIT "A"

9668

903

PARCEL 1:

A portion of the SE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 2, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, described as follows: Beginning at a $\frac{1}{4}$ " iron pin which bears North 88° 59' 04" East 905.0 feet and North 0° 35' West 322.88 feet from the iron pin marking the Southwest corner of said SE $\frac{1}{4}$ NW $\frac{1}{4}$, said beginning to Wayne N. Horton by deed recorded in Volume M-77 at page 1215, thence North 88° 35' West along the North line of last-mentioned parcel, 122.52 feet to a P.K. nail; thence South 45° 25' West 27.79 feet to a P.K. nail; thence North 0° 35' West 62.0 feet to a $\frac{1}{4}$ " iron pin; thence South 88° 35' East 74.51 feet to a $\frac{1}{4}$ " iron pin; thence North 0° 35' West 155.0 feet to a point; thence North 89° 25' East 68.0 feet to a point; thence South 0° 35' East 222.12 feet, more or less, to the point of beginning.

PARCEL 2:

Beginning at an iron pin which bears South 88° 05' West 20.4 feet and North 0° 59' West 560 feet and South 89° 25' West 245.5 feet from the iron pin which marks the center of Section 2, Township 39 South, Range 9 East of the Willamette Meridian, and running thence South 89° 25' West, parallel with the most Southerly line of Pleasant Home Tracts, 300 feet to a point; thence North 0° 35' West 157.6 feet, more or less, to a point on the South line of Lot 6, Pleasant Home Tracts; thence North 89° 25' East along said Southerly line of Pleasant Home Tracts, 300 feet; thence South 0° 59' East parallel with the center line of Wiard Street, 157.6 feet, more or less, to the point of beginning.

PARCEL 3:

The Southerly 97.7 feet of Lot 6, PLEASANT HOME TRACTS, in the County of Klamath, State of Oregon, LESS AND EXCEPTING the West 12 feet thereof, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

PARCEL 4:

Lot 3, PLEASANT HOME TRACTS, in the County of Klamath, State of Oregon, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

PARCEL 5:

A portion of the SE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 2, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, described as follows: Beginning at a $\frac{3}{4}$ " iron pipe on the North line of said SE $\frac{1}{4}$ NW $\frac{1}{4}$ which bears North 89° 24' 30" East 660.2 feet from the iron axle marking the Southwest corner of Lot 82, Pleasant Home Tracts; thence South 0° 35' East 1020.2 feet to a concrete nail set 0.2 feet South of a pipe fence post; thence South 89° 30' 55" East 82.5 feet to a point; thence South 0° 35' East 279.46 feet to a point on the Northerly right of line of South Sixth Street as now located and constructed; thence North 88° 59' 04" East along said right of way line, 20.0 feet to a point; thence North 0° 35' West 330.93 feet to a $\frac{1}{4}$ " iron pin; thence South 88° 35' East 74.51 feet to a $\frac{1}{4}$ " iron pin; thence North 0° 35' West 449.3 feet, more or less, to a point which is 97.7 feet North of the South line of Lot 6, Pleasant Home Tracts; thence South 89° 25' West 12.0 feet to a point on the West line of said Lot 6, Pleasant Home Tracts; thence North 0° 35' West 519.83 feet, more or less, to the North line of said SE $\frac{1}{4}$ NW $\frac{1}{4}$; thence South 89° 24' 30" West, along said North line, 165.0 feet, more or less, to the point of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ South Valley State Bank
of _____ Feb. _____ A.D., 19 89 at 11:49 o'clock _____ A.M., and duly recorded in Vol. _____ M89
of _____ Mortgages _____ on Page 2564
FEE \$18.00 Evelyn Biehn County Clerk
By Pauline Muddamore