

MODIFICATION OF MORTGAGE OR TRUST DEED

THIS AGREEMENT, made and entered into this 18th day of January, 1990, by and between
 **ZARCO, INC. **

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

WITNESSETH: On or about the 8th day of June, 1983, 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 \$ 40,000.00, payable in monthly installments with interest at the rate of 12 1/2 % 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 November 2, 1983, conveying the following described real property, situate in the County of Klamath, State of Oregon, to-wit:

See attached description

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 Twenty Two Thousand Six Hundred Seventy One and 50/100***** DOLLARS (\$ 22,671.50), 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 Five Hundred Twenty and 07/100***** DOLLARS (\$ 520.07) each, including interest on the unpaid balance at the rate of 13.00 % per annum. The first installment shall be and is payable on the 10th day of October, 1990, and a like installment shall be and is payable 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 September 10, 1995. 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.

⑥ Edward R. Zarosinski
 Signature of Borrower

 Signature of Borrower

WESTERN BANK

Klamath Falls Branch

By Stephen D. Fulton
 Authorized Signature
 Stephen D. Fulton/Branch Manager

State of Oregon)
 County of Klamath) SS:

Personally appeared the above named Edward R. Zarosinski and Stephen D. Fulton

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



Brenda Kidner
 Notary Public for Oregon

My commission expires 11-04-94

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

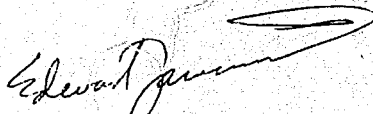
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A parcel of land situated in Sections 29 and 30, Township 37 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Commencing at the Northeast corner of Section 30, which marks the beginning of this description; thence South $02^{\circ} 54' 28''$ East, a distance of 729.58 feet to the centerline of an existing dirt road known as Simpson Canyon Road; thence along the centerline of said road, South $40^{\circ} 48' 13''$ East a distance of 250.00 feet in said Section 29; thence South $49^{\circ} 11' 47''$ West a distance of 194.71 feet to the intersection of the North-South line between Sections 29 and 30; thence South $02^{\circ} 54' 28''$ East a distance of 385.00 feet; thence North $88^{\circ} 48' 32''$ West to an intersection with the West line of the SE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of said Section 30; thence in a Northerly direction to the Northwest corner of the NE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of said Section 30; thence in an Easterly direction to the point of beginning.

TOGETHER WITH easements 60.00 feet in width lying 30.00 feet on each side of the centerline along existing roads in Sections 29, 30 and 19, Township 37 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, the centerline of which are more particularly described as follows:

Commencing at the Southeast corner of said Section 29; thence North $88^{\circ} 07' 44''$ West along the South line of said Section 29, 803.28 feet; thence leaving said South section line North 348.02 feet to the centerline of Simpson Canyon Road to the point of beginning for this description; thence along said Simpson Canyon Road centerline the following courses and distances: South $71^{\circ} 24' 26''$ West, 75.38 feet; North $79^{\circ} 48' 23''$ West, 387.39 feet; North $64^{\circ} 42' 29''$ West, 375.09 feet; North $68^{\circ} 28' 33''$ West, 246.02 feet; North $36^{\circ} 50' 53''$ West, 404.62 feet; North $28^{\circ} 07' 32''$ West, 413.24 feet; North $30^{\circ} 42' 36''$ West, 460.53 feet; North $27^{\circ} 24' 31''$ West, 760.81 feet; North $34^{\circ} 27' 44''$ West 397.76 feet; North $58^{\circ} 58' 47''$ West, 209.18 feet; South $88^{\circ} 11' 30''$ West, 287.51 feet; North $85^{\circ} 08' 49''$ West, 253.74 feet; North $66^{\circ} 52' 25''$ West, 357.28 feet; North $48^{\circ} 12' 45''$ West, 273.50 feet; North $40^{\circ} 09' 10''$ West, 358.58 feet; North $28^{\circ} 51' 23''$ West, 536.31 feet; North $39^{\circ} 31' 53''$ West, 366.44 feet; North $40^{\circ} 48' 13''$ West, 515.26 feet, and the terminus of this description.



STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Western Bank the 1st day
of Feb. A.D., 1991 at 11:28 o'clock A M., and duly recorded in Vol. M91
of Mortgages on Page 2023

FEE \$13.00

Evelyn Biehr County Clerk

By Lauren Mueller