

MODIFICATION OF MORTGAGE, TRUST DEED OR LAND SALE CONTRACT

THIS AGREEMENT, made and entered into this 12 day of Sept., 1994, by and between MICHAEL J. MEALUE and LYNDA A. MEALUE, husband and wife, and LOY MEALUE, hereinafter called First Party or Obligee, and WILLIAM R. LUCAS and CYNTHIA A. LUCAS, husband and wife, hereinafter called Second Party or Obligor;

WITNESSETH:

RECITALS: On or about July 6, 1993, William R. Lucas and Cynthia A. Lucas, husband and wife, (hereinafter called "Obligor" or "Second Party") made, executed and delivered to Aspen Title and Escrow, Inc., as trustee, and Michael J. Mealue and Lynda A. Mealue, husband and wife, as to an undivided 76%, and Loy Mealue, as to an undivided 24% interest with all rights of survivorship as beneficiary, an Obligation (being a Promissory Note) in the sum of THIRTY EIGHT THOUSAND AND NO/100'S DOLLARS (\$38,000.00), together with a Trust Deed (hereinafter called the Security Agreement) securing said Obligations; said Security Agreement was recorded in the Records of Klamath County, Oregon, on the 10th day of August, 1993, in Book M-93 at Page 19829 thereof or as instrument number 66038, reference to said recorded document hereby is made for a better description of said Obligation, the terms thereof, the time or times within which said Obligation was to be paid and a description of the real property securing said obligation.

The First Party herein currently is the owner and holder of said Obligation and Security Agreement; the Second Party herein is the said Obligor.

As a result of certain payments made from out of the insurance proceeds paid as a result of the fire loss to the premises which serve as security for the Trust Deed, the Second Party has requested a modification of the time or times for the payment of the debt evidenced by the Promissory Note secured by the Trust Deed, and the First Party is willing to grant the modification hereinafter set forth.

NOW, THEREFORE, for value received, the receipt of which hereby is acknowledged by the First Party, First party hereby modifies the time or times for payment of the current unpaid balance of the said obligation as follows:

1. First Party and Second Party agree that, after application of the crediting of the sums paid by Second Party to First Party, the unpaid balance secured by the Promissory Note and Trust Deed is the sum of \$20,062.97

2. First Party and Second Party further agree that beneficiary, Loy Mealue, has received his undivided 24% in the Promissory Note and Trust Deed, such that the remaining unpaid balance of the Promissory Note and Trust Deed is the property of Michael J. Mealue and

OBLIGOR NAME AND ADDRESS:

OBLIGEE NAME AND ADDRESS:

AFTER RECORDING, RETURN TO:
Aspen Title & Escrow, Inc.

525 Main Street
Klamath Falls, OR 97601
Attention: Collection Dept.

UNTIL A CHANGE IS REQUESTED
SEND TAX STATEMENTS TO

STATE OF OREGON)

County of Klamath)

) ss.

I certify that the within
instrument was received for
record on the ____ day of
____, 19____, at
____ o'clock ____ M. and
recorded in Book M-____ at Page
____ or as instrument
Number ____ Records of
____ County, Oregon.

WITNESS my hand and seal of
County affixed.

Recording Officer
By _____
Deputy

Lynda A. Mealue, husband and wife, and their ownership interest therein amounts to 100% thereof (with rights of survivorship);

3. The unpaid balance set forth in paragraph 1 hereinabove shall be payable by Second Party in monthly payments in the sum of \$200.00 each month, the first of such reduced monthly payments to be due and payable the 15th day of Sept., 1994, with a further and like payment due the 15th day of each month thereafter until the full amount of principal and interest shall have been paid in full.

4. The sums now unpaid on said obligation and the declining balance thereof shall bear interest hereafter at the rate of 10% per annum.

In no way does this instrument change the terms of the aforementioned obligation and Security Agreement or curtail or enlarge the rights or obligations of the parties hereto, excepting only as to the change in the unpaid balance and the monthly payments provided, and the modifications herein granted.

The Second Party hereby agrees to pay the current unpaid balance of said obligation promptly at the time or times, together with the interest, above set forth.

IN WITNESS WHEREOF, the parties hereto have executed this document effective the date first above written.

FIRST PARTY

SECOND PARTY

X Michael J. Mealue
X Lynda A. Mealue
Loy Mealue

William R. Lucas
Cynthia A. Lucas

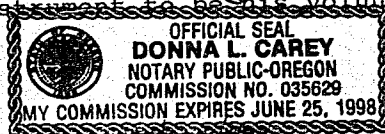
STATE OF OREGON, County of Klamath)ss:

PERSONALLY APPEARED the above-named Michael J. Mealue and Lynda A. Mealue on the ___ day of ___, 1994, and acknowledged the foregoing instrument to be their voluntary act and deed.

NOTARY PUBLIC FOR OREGON
 My Commission Expires: _____

STATE OF OREGON, County of Klamath)ss:

PERSONALLY APPEARED the above-named Loy Mealue before me on the 14th day of September, 1994, and acknowledged the foregoing instrument to be his voluntary act and deed.

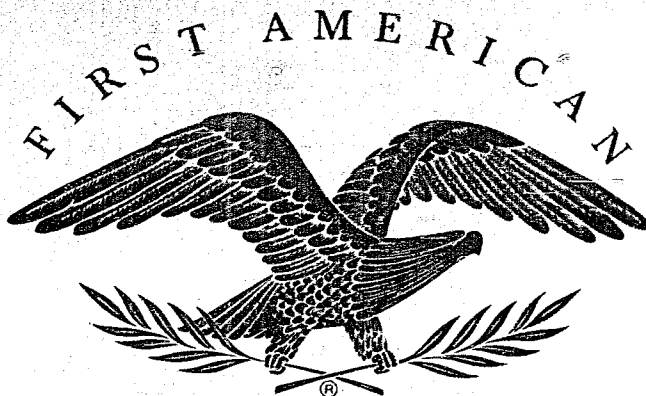


Donna L. Carey
 NOTARY PUBLIC FOR OREGON
 My Commission Expires: 6-25-98

STATE OF OREGON, County of Klamath)ss:

PERSONALLY APPEARED the above-named William R. Lucas and Cynthia A. Lucas on the 12th day of September, 1994, and acknowledged the foregoing instrument to be their voluntary act and deed.

Debra L. O'Connor ID-DL
 NOTARY PUBLIC FOR OREGON State of Washington
 My Commission Expires: 2-1-96 Residing at
Chehalis.



29366

STATE OF CALIFORNIA
COUNTY OF Del Norte

ss.

On Sept 6, 1994, before me, Lori N. Richardson, Notary Public, personally appeared Michael J. Mealue and Lynda A. Mealue, personally known to me (or ~~proved to me on the basis of satisfactory evidence~~) to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he she they executed the same in his her their authorized capacity(ies), and that by his her their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature

Lori N. Richardson

(This area for official notarial seal)

Title of Document Modification of Mortgage + Trust Deed + Land Sale
Date of Document Aug. 1994 No. of Pages 2
Other signatures not acknowledged Loy Mealue, William R. + Cynthia A. Lucas

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title Co the 16th day
of Sept A.D. 19 94 at 3:39 o'clock P.M., and duly recorded in Vol. M94
of Mortgages on Page 29364

FEE \$20.00

By Evelyn Biehn - County ClerkPauline Miller