

10-12-95A11:06 RCVD

7474
K-47521
After recording return to: Centennial Bank, Cottage Grove Branch,
625 E. Gibbs Avenue, P.O. Box 128, Cottage Grove, OR 97424

MODIFICATION OF DEED OF TRUST AND NOTE**DATE:** September 14, 1995**PARTIES:** CENTENNIAL BANK ("Lender")DONALD A. HAMMAR, GLADYS HAMMAR and FREEWAY MOTORS,
an Oregon partnership ("Borrower")

RICHARD J. CHASE and LEE J. CHASE ("Owners")

RECITALS

A. Lender is the owner and holder of a Promissory Note dated July 19, 1994 in the original amount of \$23,980.60 given by Borrower and originally payable to Western Oregon Community Bank or order (the "Note"). The Note became due and payable in full on July 20, 1995.

B. The Note is secured by a Deed of Trust dated June 7, 1990 given by Donald A. Hammar as Grantor to Aspen Title & Escrow, Inc. as Trustee for the benefit of The Cottage Grove Bank, which Trust Deed was recorded June 11, 1990 in Volume M90, Page 11207, Mortgage Records of Klamath County, Oregon (the "Lender's Trust Deed"). Lender is now the owner and holder of the Note and Lender's Trust Deed.

C. Lender's Trust Deed is a first lien against unimproved property located in Klamath Falls, Oregon more particularly described as follows:

That portion of the S½ N½ NW¼ and the S½ NW¼ of Section 25, Township 32 South, Range 7 East of the Willamette Meridian, in the County of Klamath, State of Oregon, lying East of the Southern Pacific Railroad right of way and Westerly of the center thread of the Williamson River.

That portion of the SW¼ NE¼ of Section 25, Township 32 South, Range 7 East of the Willamette Meridian, in the County of Klamath, State of Oregon, lying West of the center thread of the Williamson River.

(the "Property").

D. In August 1993, Donald A. Hammar sold the Property to Owners and, in connection therewith, Owners executed and delivered to Donald A. Hammar a Promissory Note dated August 18, 1993 in the original amount of \$24,000.00 secured by an all-inclusive Deed of Trust dated August 18, 1993 given by Owners as Grantor to Western Pioneer Title Co. of Lane County as Trustee for the benefit of Donald A. Hammar as Beneficiary, which Trust Deed was recorded August 18, 1993 at Volume M93, Page 23099, Official Records of Klamath County, Oregon ("Hammar's Trust Deed").

E. Borrower has requested that Lender extend the term of the Note and Lender's Trust Deed and Lender is willing to do so upon the terms and conditions stated below.

AGREEMENTS

In consideration of the foregoing recitals which are incorporated by this reference herein and the mutual covenants and conditions stated below, the parties agree as follows:

1. ACKNOWLEDGEMENT OF BALANCE DUE.

1.1 Borrower and Owners acknowledge that the remaining principal balance due on Lender's Trust Deed and the Note is \$16,706.43, plus interest at the Note rate from August 22, 1995.

2. MATURITY DATE.

2.1 The maturity date of Lender's Trust Deed and the Note shall be extended from July 20, 1995 to January 20, 1998.

3. PAYMENT TERMS.

3.1 The Note shall be payable in monthly installments of \$750.00 per month, including interest, with the next installment due September 20, 1995 and a like installment due on the 20th day of each succeeding month thereafter until January 20, 1998, at which time the entire balance of the Note and Lender's Trust Deed shall be due and payable in full.

4. CONTINUED PRIORITY.

4.1 Owners and Borrower acknowledge and agree that Lender's Trust Deed and the Note, as modified herein, shall be and remain superior and have first priority over the claims, rights and interests of Owner and Borrower in and to the Property. Hammar's Trust Deed is, and shall always be, subject and subordinate to Lender's Trust Deed. Nothing contained herein shall be construed to require Lender to make, extend, renew or modify any other loan to Borrower or to grant any other financial accommodations to

Borrower or Owners, whatsoever. Nothing contained herein shall be deemed to limit Lender, in any way, with respect to Lender's enforcement of Lender's Trust Deed and/or the Note. Borrower and Owners acknowledge that Lender has made no commitments or promises to either of them which are not contained in the Note, Lender's Trust Deed and this Agreement.

5. EFFECT OF AGREEMENT.

5.1 Except as expressly and specifically modified herein, the terms and conditions of the Note and Lender's Trust Deed remain in full force and effect. Lender's agreement to this modification does not waive Lender's right to strict performance of the obligation, as changed. Lender intends to retain as liable parties all makers and endorers of the Note, including accommodation parties.

UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY US (LENDER) AFTER OCTOBER 3, 1989 CONCERNING LOANS OR OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY US TO BE ENFORCEABLE.

BORROWER:

Donald A. Hammar
Donald A. Hammar, Individually

Gladys Hammar
Gladys Hammar, individually

Freeway Motors, a partnership

By: Donald A. Hammar
Donald A. Hammar, Partner

By: Gladys Hammar
Gladys Hammar, Partner

LENDER:

CENTENNIAL BANK

By: Richard D. Schuster
Authorized Representative

OWNERS:

Richard J. Chase
Richard J. Chase

Lee J. Chase
Lee J. Chase

27488

STATE OF OREGON, County of Lane, ss.

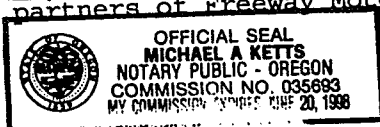
The foregoing instrument was acknowledged before me this 15th day of SEPTEMBER, 1995 by Donald A. Hammar, individually and as one of the partners of Freeway Motors, a partnership.



Michael A. Ketts
NOTARY PUBLIC FOR OREGON
My Commission Expires: 6-20-98

STATE OF OREGON, County of Lane, ss.

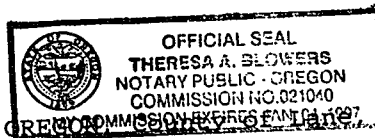
The foregoing instrument was acknowledged before me this 18th day of SEPTEMBER, 1995 by Gladys Hammar, individually and as one of the partners of Freeway Motors, a partnership.



Michael A. Ketts
NOTARY PUBLIC FOR OREGON
My Commission Expires: 6-20-98

STATE OF OREGON, County of Lane, ss.

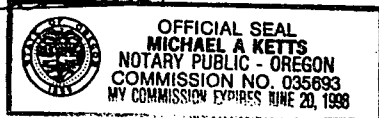
The foregoing instrument was acknowledged before me this 23rd day of SEPTEMBER, 1995 by Richard J. Chase.



Theresa A. Blowers
NOTARY PUBLIC FOR OREGON
My Commission Expires: 1-4-97

STATE OF OREGON, County of Lane, ss.

The foregoing instrument was acknowledged before me this 18th day of SEPTEMBER, 1995 by Lee J. Chase.



Michael A. Ketts
NOTARY PUBLIC FOR OREGON
My Commission Expires: 6-20-98

STATE OF OREGON, County of Lane, ss.

The foregoing instrument was acknowledged before me this 5th day of October, 1995 by Richard D. Schornstein, Authorized Representative of Centennial Bank, an Oregon banking corporation, on behalf of the corporation.



Judy Gilbert
NOTARY PUBLIC FOR OREGON
My Commission Expires: 6/20/99

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Company the 12th day of October, A.D., 19 95 at 11:06 o'clock A M., and duly recorded in Vol. M95, of Mortgages on Page 27485.

FEE \$25.00

Bernetha G. Letsch, County Clerk
By Annette Mueller