

UTC37280

This Agreement, made and executed by and between SAM L. STOVALL, hereinafter referred to as "lender" and B. N. B. DRIVE INNS, INC., an Oregon corporation, hereinafter referred to as "borrower."

WITNESSETH:

Whereas Borrower is the owner of the real property described as follows:

Lots 32, 33, 34, 35, 36, 37, 38, and 39 in Block 22, Industrial Addition to the City of Klamath Falls, Klamath County, Oregon.

Whereas Borrower is indebted to Lender by reason of a promissory note dated January 22, 1992 in the original amount of \$30,000.00; and

Whereas the above note is secured by a Trust Deed dated January 22, 1992 and recorded on the 23rd day of January, 1992 in Klamath County, Oregon in Vol M92 on page 1456 as instrument No. 40151; and assigned to the Lender named herein on the 24th day of September, 1993 in Klamath County, Oregon in Vol M93 on page 24697 as instrument No. 68599; and

Whereas the parties desire to modify said promissory note, and deed of trust so as to provide for different balance and terms of payment, now, therefore, In consideration of the sum of One Dollar (\$1.00), and other good and valuable consideration, and the mutual covenants and conditions contained herein, the parties agree as follows:

1. Current Principal balance of \$30,000.00 shall be increased by \$10,000.00 making the principal balance a total of \$40,000.00 as of February 1, 1996;
2. Interest only payments shall continue with the first revised payment to be made on March 1, 1996;
3. The maturity dated shall be extended from January 23, 1997 to February 1, 2001;
4. The borrower agrees to pay a prepayment penalty equal to 5% of the amount prepaid for any prepayment made prior to February 1, 1999.

It is further expressly understood and agreed that said deed of trust shall continue as a first lien upon the secured property, and that the original note and deed of trust, including all of the covenants and conditions of such documents, shall remain in full force and effect except as herein expressly modified.

The final installment of principal and accrued interest provided for herein, if not sooner paid, is to be due and payable on the 1st day of February, 2001.

IN WITNESS WHEREOF, this Modification Agreement has been duly executed on this 26th day of January, 1996.

Lender:

Borrower:

B. N. B. DRIVE INNS, INC.

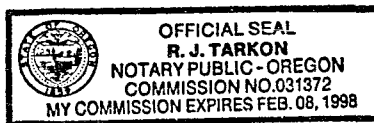
By: Dale K. Bowles
DALE K. BOWLES, Pres.

Sam L. Stovall
SAM L. STOVALL

STATE OF OREGON COUNTY OF JACKSON

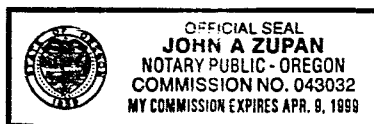
The foregoing instrument was acknowledged before me this 26th day of January, 1996, by SAM L. STOVALL, who executed the within instrument as his voluntary act and deed.

R. J. Tarkon
Notary Public for Oregon
My commission expires 2-8-98

STATE OF OREGON COUNTY OF Jackson

The foregoing instrument was acknowledged before me this 26th day of January, 1996, by DALE K. BOWLES, President, of B. N. B. DRIVE INNS, INC., a corporation, on behalf of the corporation.

John A. Zupan
Notary Public for Oregon
My commission expires 4/9/99



After Recording mail to:
JACKSON COUNTY TITLE DIVISION
Attn: Collection Escrow Dept.
P.O. BOX 218
MEDFORD OR 97501

96 JAN 29 P 3:54

ORCS

2514

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co the 29th day
of Jan A.D., 1996 at 3:54 o'clock P M., and duly recorded in Vol. M96,
of Mortgages on Page 2513.

FEE \$15.00

By Bernetha G. Petsch County Clerk