

MTC 45542-LW

AGREEMENT MODIFYING
SECURED PROMISSORY NOTES
AND TRUST DEEDS, ASSIGNMENTS OF RENTS,
SECURITY AGREEMENTS AND FIXTURE FILINGS

Date: August 17, 1998

Parties:

MARY S. NATIONS, TRUSTEE OF THE ("Lender")
OLEN H. AND MARY S. NATIONS TRUST
4647 Averill Dr.
Grants Pass, OR 97526

JOHN THOMAS BRADLEY and ("Borrower")
CHRISTINE CARROL BRADLEY and
RHINO ENTERPRISES, LTD.
834 Market St.
Klamath Falls, OR 97601

Recitals:

A. Borrower is indebted to Lender pursuant to a Secured Promissory Note in the original amount of \$250,000.00, dated March 20, 1998 ("Note 1"). As of the date of this Agreement, the balance owing pursuant to Note 1 is \$250,000.00 and interest is paid to August 20, 1998. Payment of Note 1 is secured by a Trust Deed, Assignment of Rents, Security Agreement and Fixture Filing, granted by John Thomas Bradley and Christine Carol Bradley to Amerititle, for the benefit of Lender, dated March 20, 1998, recorded March 24, 1998, in volume M98, at page 9484, in the Microfilm Records of Klamath County, Oregon ("Trust Deed 1"). Trust Deed 1 encumbers the real property described in Exhibit "A", attached hereto.

-1- AGREEMENT MODIFYING SECURED PROMISSORY NOTES AND TRUST
DEEDS, ASSIGNMENTS OF RENTS, SECURITY AGREEMENTS AND FIXTURE
FILINGS

B. Borrower is indebted to Lender pursuant to a Secured Promissory Note in the original amount of \$123,000.00, dated July 21, 1998 ("Note 2"). As of the date of this Agreement, the balance owing pursuant to Note 2 is \$123,000, and interest is paid to July 21, 1998. Payment of Note 2 is secured by a Trust Deed, Assignment of Rents, Security Agreement and Fixture Filing, granted by John Thomas Bradley and Christine Carol Bradley to Amerititle, for the benefit of Lender, dated July 21, 1998, recorded July 22, 1998, in volume M98, at page 26787, in the Microfilm Records of Klamath County, Oregon ("Trust Deed 2"). Trust Deed 2 encumbers the real property described in Exhibit "B", attached hereto. Payment of a portion of Note 2 is further secured by a Trust Deed, Assignment of Rents, Security Agreement and Fixture Filing, granted by John Thomas Bradley and Christine Carol Bradley to Amerititle, for the benefit of Lender, dated July 21, 1998, recorded July 22, 1998, in volume M98, at page 26806, in the Microfilm Records of Klamath County, Oregon ("Residential Trust Deed") encumbering the real property described in Exhibit "C".

C. Borrower is indebted to Lender pursuant to a Secured Promissory Note in the original amount of \$40,000.00, dated as of the date hereof ("Note 3"). As of the date of this Agreement, the balance owing pursuant to Note 3 is \$40,000.00, and interest is paid to the date hereof. Payment of Note 3 is secured by a Trust Deed, Assignment of Rents, Security Agreement and Fixture Filing, granted by John Thomas Bradley and Christine Carol Bradley to Amerititle, for the benefit of Lender, dated as of the date hereof ("Trust Deed 3"). Trust Deed 3 encumbers the real property described in Exhibits "A", "B" and "C", attached hereto.

D. Lender and Borrower desire to modify and supplement the terms and conditions of Note 1, Trust Deed 1, Note 2, Trust Deed 2, Note 3 and Trust Deed 3.

Agreements:

1. **Cross Collateralization.** Lender and Borrower agree that Trust Deed 1, shall secure payment of all amounts owing to Note 1, Note 2 and Note 3. Lender and Borrower agree that Trust

Deed 2, shall secure payment of all amounts owing to Note 1, Note 2 and Note 3. Lender and Borrower agree that Trust Deed 3, shall secure payment of all amounts owing to Note 1, Note 2 and Note 3.

2. **Cross Default.** Lender and Borrower agree that the occurrence of a default under the terms, covenants or conditions of Note 1 or Trust Deed 1, shall also be deemed the occurrence of a default under the terms, covenants and conditions of Note 2, Trust Deed 2, Note 3 and Trust Deed 3. Lender and Borrower agree that the occurrence of a default under the terms, covenants or conditions of Note 2 or Trust Deed 2, shall also be deemed the occurrence of a default under the terms, covenants and conditions of Note 1, Trust Deed 1, Note 3 and Trust Deed 3. Lender and Borrower agree that the occurrence of a default under the terms, covenants or conditions of Note 3 or Trust Deed 3, shall also be deemed the occurrence of a default under the terms, covenants and conditions of Note 1, Trust Deed 1, Note 2 and Trust Deed 2.

3. **Partial Release.** Upon payment of the principal sum of \$13,000.00, and provided no default or breach exists and no event exists, which with the passage of time or notice, or both, would constitute a default or breach, in Borrower's performance of the obligations of Trust Deed 1, Trust Deed 2, Trust Deed 3 or the Residential Trust Deed, and the promissory notes secured thereby, Lender will direct Amerititle to execute partial reconveyances with respect to the property encumbered by the Residential Trust Deed. Borrower shall pay all costs and expenses associated with such release, including document preparation and recording fees.

Trustee of the Olsen H. and
Mary S. Nations Trust

Mary S. Nations
MARY S. NATIONS
Date: 8-17, 1998

"Lender"

30472

John Thomas Bradley
JOHN THOMAS BRADLEY

Date: 8/18/98, 1998

Christine Carol Bradley
CHRISTINE CARROL BRADLEY

Date: 8-18-98, 1998

Rhino Enterprises, LTD.

By: Christine Carol Bradley
CHRISTINE CARROL BRADLEY,
President

Date: 8-18-98, 1998

"Borrower"

STATE OF OREGON)

County of Jackson)

ss. 8-17, 1998

Personally appeared the above named MARY S. NATIONS, Trustee for the ^(LEN) ~~Olsen~~ H. and Mary S. Nations Trust and acknowledged the foregoing instrument to be her voluntary act.

Before me:



Tami L. Hurd
Notary Public for Oregon
My Commission Expires: 11-16-98

STATE OF OREGON)
) ss. August 18, 1998
 County of Jackson)

Personally appeared the above named JOHN THOMAS BRADLEY and CHRISTINE CARROL BRADLEY, husband and wife and acknowledged the foregoing instrument to be their voluntary act.

Before me:

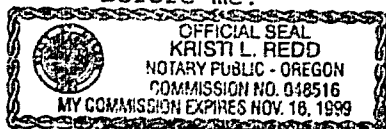


Kristi L. Redd
 Notary Public for Oregon
 My Commission Expires: 11/16/99

STATE OF OREGON)
) ss. August 18, 1998
 County of Jackson)

Personally appeared the above named CHRISTINE CARROL BRADLEY, President of Rhino Enterprises, LTD. and acknowledged the foregoing instrument to be its voluntary act.

Before me:



Kristi L. Redd
 Notary Public for Oregon
 My Commission Expires: 11/16/99

EXHIBIT "A"

Parcel 1:

Lots 12, 13, 14, 15 and 16 in Block 19 of SECOND RAILROAD ADDITION to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, LESS AND EXCEPT the Northerly 48.78 feet of Lot 12, Block 19, SECOND RAILROAD ADDITION to the City of Klamath Falls.

Parcel 2:

Lot 12 in Block 17 of SECOND RAILROAD ADDITION to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

EXHIBIT "B"

A tract of land being Lot 11 and the Northerly 48.78 feet of Lot 12, Block 19 of SECOND RAILROAD ADDITION to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

30476

EXHIBIT "C"

The East ½ of Lot 8 and all of Lot 9 in Block 30, MOUNTAIN VIEW ADDITION, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Amerititle the 19th day
of August A.D., 1998 at 9:17 o'clock A.M., and duly recorded in Vol. M98
of Mortgages on Page 30469.

FEE \$45.00

By Bernetha G. Letsch, County Clerk
Kathleen Rose