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After Recording Return To: Bunny Lore
McCalla, Raymer, Padrick, Cobb, Nichols & Clark, L.L.C.
56 Perimeter Center East, N.E., 5th Floor
Atlanta, Georgia 30346

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LOAN MODIFICATION AGREEMENT (Providing for a Step Interest Rate)

This Loan Modification Agreement ("Agreement"), effective the 1st day of February, 1999, between **Dan L. Thomas and Sandra C. Thomas**, as tenants by the entirety (collectively "Borrower") and **Fleet Mortgage Corp.** ("Lender"), amends and supplements (1) the Mortgage, Deed of Trust or Deed to Secure Debt (the "Security Instrument"), dated September 14, 1995 and recorded on September 22, 1995 at Volume M95 Page 25661 with the Recorder's Office of Klamath County, Oregon, as last transferred to Fleet Mortgage Corp. by Assignment dated October 5, 1995 and recorded April 16, 1996 at Volume M96 Page 10525, aforesaid records, and (2) the Note bearing the same date as, and secured by, the Security Instrument, which covers the real and personal property described in the Security Instrument and defined therein as the "Property", located at 24305 Highway 97 North, Chiloquin, Oregon 97624, the real property described being set forth as follows:

Lot 16, Modoc Point, according to the Official Plat thereof on file in the Office of the County Clerk, Klamath County, Oregon. That portion of the SW 1/4 SE 1/4 of Section 15, Township 36 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, lying East of the Easterly right-of-way of the Southern Pacific Railroad, less that portion lying within the right-of-way of the Dalles-California Highway. Account #3607A-15CD-1000 #322984 Account #3607A-1500-1000 Key #321315 Account #3607A-1500-100 Key #493.

In consideration of the mutual promises and agreements exchanged, the parties hereto agree as follows (notwithstanding anything to the contrary contained in the Note or Security Instrument):

1. As of February 1, 1999, the amount payable under the Note and Security Instrument (the "Unpaid Principal Balance") is U.S. \$180,110.36, consisting of the amount(s) loaned to the Borrower by the Lender and any interest capitalized to date.
2. The Borrower promises to pay the Unpaid Principal Balance, plus interest, to the order of the Lender. Interest will be charged on the Unpaid Principal Balance for the first and second year at the rate of 7.25% from February 1, 1999. The Borrower promises to pay monthly payments of principal and interest in the amount of \$1,228.67 beginning on the 1st day of March, 1999. During the third year of the loan term and continuing thereafter until the Maturity Date (as hereinafter defined), interest will be charged at the yearly rate of 8.25% from February 1, 2001 and the Borrower promises to pay monthly payments of principal and interest in the amount of \$1,348.29 beginning on the 1st day of March, 2001, and shall continue the monthly payments thereafter on the same day of each succeeding month until principal and interest are paid in full. If on February 1, 2029, (the "Maturity Date"), the Borrower still owes amounts under the Note and the Security Instrument, the Borrower shall pay these amounts in full on the Maturity Date.

The Borrower will make such payments to Fleet Mortgage Corp., at 2210 Enterprise Drive, Florence, South Carolina, 29501 or at such other place as the Lender may require.

3. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in the Borrower is sold or transferred and the Borrower is not a natural person) without the Lender's prior written consent, the Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument.

If the Lender exercises this option, the Lender shall give the Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which the Borrower must pay all sums secured by this Security Instrument. If the Borrower fails to pay these sums prior to the expiration of this period, the Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on the Borrower.

4. The Borrower also will comply with all other covenants, agreements, and requirements of the Security Instrument, including without limitation, the Borrower's covenants and agreements to make all payments of taxes, insurance premiums, assessments, escrow items, impounds, and all other payments that the Borrower is obligated to make under the Security Instrument; however, the following terms and provisions are forever canceled, null and void, as of the date specified in paragraph No. 1 above:

- (a) all terms and provisions of the Note and Security Instrument (if any) providing for, implementing, or relating to, any change or adjustment in the rate of interest payable under the Note; and

AMERITIME, has recorded this instrument by request as an accommodation only, and has not examined it for regularity and sufficiency or as to its effect upon the title to any real property that may be described therein.

- (b) all terms and provisions of any adjustable rate rider of other instrument or document that is affixed to, wholly or partially incorporated into, or is part of, the Note or Security Instrument and that contains any such terms and provisions as those referred to in (a) above.

5. Nothing in this Agreement shall be understood or construed to be a satisfaction or release in whole or in part of the Note and Security Instrument. Except as otherwise specifically provided in this Agreement, the Note and Security Instrument will remain unchanged, and the Borrower and Lender will be bound by, and comply with, all of the terms and provisions thereof, as amended by this Agreement.

1-22-99
Date

Dan L. Thomas
Dan L. Thomas, Borrower

1-22-99
Date

Sandra C. Thomas
Sandra C. Thomas, Borrower

January 29, 1999
Date

FLEET MORTGAGE CORP.

By: Margaret M. Slattery
Title: Margaret M. Slattery, Vice President
(CORPORATE SEAL)

(Space Below This Line For Acknowledgments)

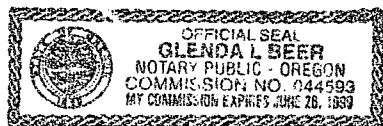
STATE OF OREGON

COUNTY OF Douglas

I certify that I know or have satisfactory evidence that Dan L. Thomas and Sandra C. Thomas, as tenants by the entirety is/are the person(s) who appeared before me, and said person(s) acknowledged that he/she/they signed this instrument and acknowledged it to be his/her/their free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this 22 day of Jan, 1999.

Glenda L. Beer



Glenda L. Beer
(Printed Name of Notary)
Notary Public in and for the State of Oregon
My Appointment Expires: June 26, 1999

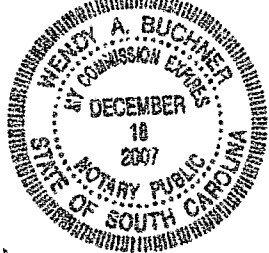
(NOTARY STAMP/SEAL)

STATE OF SOUTH CAROLINA

COUNTY OF FLORENCE

On January 29, 1999, before me, the undersigned, a Notary Public in and for said State, personally appeared Margaret M. Slattery, Vice President, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity and by his signature on the instrument the persons or entity upon behalf of which this person acted, executed the instrument.

Witness my hand and official seal,



Wendy A. Buchner
Notary Public
My Commission Expires: 12-18-07

(NOTARY STAMP/SEAL)

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STATE OF OREGON - COUNTY OF KLAMATH:

ss.

Filed for record at request of Amerititle the 17th day
of February A.D. 1999 at 11:01 o'clock A. M. and duly recorded in Vol. M99
of Mortgages on Page 5415

Linda Smith, County Clerk

by Kathleen Rose

FEE \$20.00

