

THIS AGREEMENT, made and entered into this 26TH day of APRIL, 1999 by and between  
PHILLIP S. BURTON AND SUE A. BURTON

hereinafter called the "Borrower(s)" and South Valley Bank & Trust, an Oregon Banking Corporation, hereinafter called the "Lender".

WITNESSETH: On or about the 14TH day of SEPTEMBER, 1993, the Borrower(s) (or the original maker(s) if the Borrower is an assignee of record) did make, execute and deliver to the Lender that certain promissory note in the sum of \$ 93,000.00, payable in monthly installments with interest at the rate of 10.5 % per annum. For the purpose of securing the payment of said promissory note, the Borrower(s) (or the original maker(s) if the Borrower is an assignee of record) did make, execute and deliver to the Lender their certain Mortgage or Trust Deed, hereinafter called a "Security Instrument" bearing date of SEPTEMBER 14 1993 conveying the following described real property, situated in the County of KLAMATH State of OREGON to-wit:

SEE ATTACHED EXHIBIT A

which Security Instrument was duly recorded in the records of said county and state.

There is now due and owing upon the promissory note aforesaid, the principal sum of SEVENTY-EIGHT THOUSAND TWO HUNDRED FOUR DOLLARS AND NO/100 DOLLARS (\$ 78,204.00 ), together with the accrued interest thereon, and the Borrower(s) desire a modification of the terms of payment thereof, to which the Lender is agreeable on the terms and conditions hereinafter stated and not otherwise.

NOW THEREFORE, in consideration of the premises and of the promises and agreements hereinafter contained, the parties hereto do hereby agree that the balance now due and owing on the promissory note hereinabove described shall be and is payable in monthly installments of FIVE HUNDRED TWENTY-DOLLARS AND 27/100 DOLLARS (\$ 520.27 ) each, INCLUDING interest on the unpaid balance at the rate of 7.600 % per annum. The first installment shall be and is payable on the FIRST day of JUNE, 1999 and a like installment shall be and is payable on the FIRST day of each month thereafter until the principal and interest are fully paid, except that the final payment of principal and interest if not sooner paid, shall be due and payable on the FIRST day of MAY, 2029. If any of said installments or either principal or interest are not so paid, the entire balance then owing shall, at the option of the Lender or its successors in interest, become immediately due and payable without notice.

Except as herein modified in the manner and on the terms and conditions herein stated, the said promissory note and Security instrument shall be in full force and effect, with all the terms and conditions of which the Borrower(s) do agree to comply in the same manner and to the same extent as though the provisions thereof were in all respects incorporated herein and made a part of this agreement.

IN WITNESS WHEREOF, the Borrower(s) have hereunto set their hand(s) and seal(s) and the Lender has caused these presents to be executed on its behalf by its duly authorized representative this day and year first hereinabove written.

Phillip S. Burton  
Signature of Borrower

South Valley Bank & Trust

By: Margie Wright Stephens  
Authorized Signature

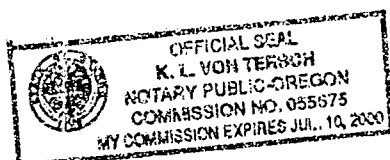
Sue A. Burton  
Signature of Borrower

State of OREGON

County of KLAMATH

Personally appeared the above named Phillip S. Burton & Sue A. Burton

and acknowledged the foregoing instrument to be their voluntary act and deed. Before me:



K. L. Von Terroch  
Notary Public for Klamath County Oregon  
My commission expires 07/10/00

EXHIBIT "A"  
LEGAL DESCRIPTION

A portion of Tract No. 22, GIENGER'S HOME TRACTS, Klamath County, Oregon, described as follows:

Beginning at a point which is 265 feet West of the Southeast corner of said Tract No. 22; thence Westerly along the South line of said Tract No. 22 a distance of 122 feet; thence Northerly at right angles to said South line, a distance of 306.78 feet, more or less, to the Northerly line of said Tract No. 22; thence Southeasterly along the Northerly line of said Tract No. 22 a distance of 133.02 feet, more or less, to an iron pin on the Northwesterly corner of a tract of land described in Warranty Deed recorded October 1, 1976 in Book M76 at page 15465, Microfilm Records of Klamath County, Oregon; thence South 00 degrees 30' East 259.84 feet to the point of beginning.

4809 HILYARD AVENUE, KLAMATH FALLS, OREGON 97603

STATE OF OREGON : COUNTY OF KLAMATH: ss.

Filed for record at request of Amerititle the 28th day  
of April A.D. 1999 at 3:26 o'clock P.M., and duly recorded in Vol. M99  
of Mortgages on Page 15957

FEE \$15.00

by Linda Smith County Clerk