

MODIFICATION OF MORTGAGE OR TRUST DEED

THIS AGREEMENT, made and entered into this 1st day of JULY, 19 99 by and between
DANIEL DAVID NIX AND LETHA ANN NIX

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

WITNESSETH: On or about the 11TH day of FEBRUARY, 19 97, 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 \$ 30,000.00, payable in monthly installments with interest at the rate of 8.875 % 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 FEBRUARY 11, 19 97 conveying the following described real property, situated in the County of KLAMATH, State of OREGON to-wit:

Lot 11 and the West 5 feet of Lot 10, Block 11, ELDORADO 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.

MODIFYING DEED OF TRUST DATED FEBRUARY 11, 1997 RECORDED FEBRUARY 18, 1997 VOLUME M97
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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 TWENTY-SEVEN THOUSAND SIX HUNDRED EIGHTY-ONE AND 10/100 DOLLARS (\$ 27,681.10), 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 TWO HUNDRED SEVENTY-NINE AND 36/100 DOLLARS (\$ 279.36) each, INCLUDING interest on the unpaid balance at the rate of 7.500 % per annum. The first installment shall be and is payable on the FIRST day of AUGUST, 19 99 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, 2012. 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.

Daniel David Nix
Signature of Borrower

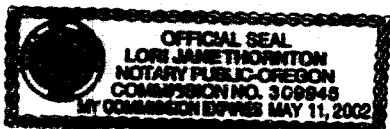
South Valley Bank & Trust

By: Margie Margaret Hegeler
Authorized Signature

Letha Ann Nix
Signature of Borrower

State of Oregon
County of Klamath
Personally appeared the above named Letha Ann Nix

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



[Signature]
Notary Public for OREGON
My commission expires 5-11-2002

STATE OF OREGON,

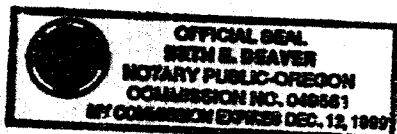
County of Klamath }

26430
FORM NO. 23 — ACKNOWLEDGMENT
STEVENS-HESS LAW FIRM, CO., PORTLAND, ORE.

BE IT REMEMBERED, That on this 1st day of July, 1999,
before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within
named Daniel David Orr

known to me to be the identical individual described in and who executed the within instrument and
acknowledged to me that.....executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year last above written.



Beth E. Beaver
Notary Public for Oregon.
My Commission expires.....

State of Oregon, County of Klamath

Recorded 7/01/99, at 3:44 p m.

In Vol. M99 Page 26429

Linda Smith,

County Clerk

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