

THIS AGREEMENT, made and entered into this January 30, 2002 by and between Karl R. Nystrom, Virginia A. Nystrom and Christina A. Nystrom hereinafter called the "Borrower(s)" and South Valley Bank & Trust, an Oregon Banking Corporation, hereinafter called the "Lender".

WITNESSETH: On or about May 5, 2001, 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 \$215,000.00, payable in monthly installments with interest at the rate of 9.00% per annum. For the purpose of securing the payment of said promissory note, the Borrow(s) (or the original maker(s) if the Borrower(s) 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 May 5, 2001, conveying the following described real property, situated in the County of Klamath, State of Oregon to-wit:

Lot 13, RUNNING Y RESORT, PHASE I, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

which Security Instrument was duly recorded in the records of said county and state. Vol. M01, Page 21119.

There is now due and owing upon the promissory note aforesaid, the principal sum of Two Hundred Fifteen Thousand dollars and 00/100ths, 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 One Thousand Five Hundred forty dollars and 29/100ths on the unpaid balance at the rate of 7.750% per annum. The first installment shall be and is payable on March 1, 2002 and a like installment shall be and is payable on the 1<sup>st</sup> 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 February 1, 2005. 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.

Virginia A. Nystrom  
Virginia A. Nystrom

Christina A. Nystrom  
Christina A. Nystrom

South Valley Bank & Trust

By: Vergie Wright-Stepahin  
Vergie Wright-Stepahin / Vice President

State of Oregon, County of Klamath  
Recorded 02/01/2002 3:29 p.m.  
Vol M02, Pg 6507  
Linda Smith, County Clerk  
Fee \$ 21.00 # of Pgs 1

State of California )

County of Alameda )

Personally appearing the above named Virginia A. Nystrom and Christina A. Nystrom and acknowledge the foregoing instrument to be their voluntary act and deed. Before me:

Nanette Paiva

Notary Public for Alameda County California

My commission expires JUNE - 10 - 2004

