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State of Oregon, County of Klamath  
Recorded 10/30/2002 2:01 P m.  
Vol M02, Pg 62527  
Linda Smith, County Clerk  
Fee \$ 21.00 # of Pgs 1

mtc  
1396-4383

### MODIFICATION OF MORTGAGE OR DEED OF TRUST

THIS AGREEMENT, made and entered into this 29<sup>th</sup> day of October, 2002 and between Loren L. Lawrie and Susan M. Lawrie hereinafter called the "Borrower(s)" and South Valley Bank & Trust, an Oregon Banking Corporation, hereinafter called the "Lender".

WITNESSETH: On or about the 2<sup>nd</sup> day of May, 2002, 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 \$28,000.00, payable in monthly installments with interest at the rate of 7.00% 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 2, 2002, conveying the following described real property, situated in the County of Klamath, State of Oregon to-wit:

Lot 6 in Block 1 in SHIELDCREST - TRACT 1172, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon. Also together with an undivided interest in all those private roads shown on the plat and more particularly described in Declaration recorded in Volume M-84 on page 4256, and in Easement recorded May 23, 1990, in Volume M-90 on page 9828, Deed Records of Klamath County, Oregon.

which Security Instrument was duly recorded in the records of said county and state. Volume M02 Page 26734-48

There is now due and owing upon the promissory note aforesaid, the principal sum of Twenty Eight Thousand and no/100 Dollars, 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 Twenty One and 42/100 Dollars on the unpaid balance at the rate of 5.00%\* per annum. The first installment shall be and is payable on December 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 November 1, 2017. 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.

\*Subject to Variable Rate Feature and Limits on Interest Rate Changes.

The interest rate I am required to pay at the first Change Date will not be greater than 7.00% or less than 3.00%. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than Two percentage point(s) (2.00%) from the rate of interest I have been pay for the preceding 12 months. My interest rate will never be greater than 11.00%.

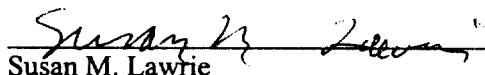
The first rate Change Date is November 1, 2005.

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.



Loren L. Lawrie



Susan M. Lawrie

State of Oregon

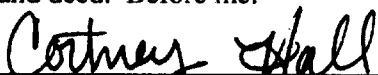
County of Klamath

Personally appearing the above named \_\_\_\_\_

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

South Valley Bank & Trust

By:   
Vergie Wright-Stepahin / Vice President

  
Notary Public for Oregon  
My commission expires \_\_\_\_\_

