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State of Oregon, County of Klamath
Recorded 03/24/2003 3:02 p.m.
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Linda Smith, County Clerk
Fee \$ 21 # of Pgs 1

MODIFICATION OF MORTGAGE OR TRUST DEED

THIS AGREEMENT, made and entered into this 21st day of March, 2003, and between Scott T. Farrar and Linda L. Farrar, hereinafter called the "Borrower(s)" and South Valley Bank & Trust, an Oregon Banking Corporation, hereinafter called the "Lender".

WITNESSETH: On or about the March 15, 1995, 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 \$32,500.00, payable in monthly installments with interest at the rate of 9.75%* per annum. For the purpose of securing the payment of said promissory note, the Borrower(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 March 15, 1995, conveying the following described real property, situated in the County of Klamath, State of Oregon to-wit:

Lot 8, Block 15, BUENA VISTA ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.

which Security Instrument was duly recorded in the records of said county and state. Volume M95 Page 6315

There is now due and owing upon the promissory note aforesaid, the principal sum of Twenty One Thousand Five Hundred Eighty Four and 10/100 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 Interest only April 15, 2003 through June 15, 2003 on the unpaid balance at the rate of 5.75%* per annum. The first Principal and Interest installment of Two Hundred Seventy Three and 11/100 Dollars* shall be and is payable on July 15, 2003 and a like installment shall be and is payable on the 15th 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 April 15, 2010. 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

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.

Scott T Farrar
Scott T Farrar

Linda L Farrar
Linda L Farrar

State of Oregon
County of Klamath
Personally appearing the above named Scott T Farrar and Linda L Farrar
and acknowledging the foregoing instrument to be their voluntary act and deed. Before me:



Cortney Hall
Notary Public for Oregon
My commission expires May 10, 2005

South Valley Bank & Trust

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