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MTC- 1396- 5046

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State of Oregon, County of Klamath
Recorded 06/10/2003 10:59 a m.
Vol M03 Pg 39569
Linda Smith, County Clerk
Fee \$ 21.00 # of Pgs 1

AMERITITLE has recorded this
Instrument by request as an accomodation only,
and has not examined it for regularity and sufficiency
or as to its effect upon the title to any real property
that may be described therein.

MODIFICATION OF MORTGAGE OR TRUST DEED

THIS AGREEMENT, made and entered into this 6th day of June, 2003, and between Joni Lynn Drinkwater and Carl Stephen Branch, hereinafter called the "Borrower(s)" and South Valley Bank & Trust, an Oregon Banking Corporation, hereinafter called the "Lender".

WITNESSETH: On or about the August 20, 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 \$201,600.00, 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 August 20, 2002, conveying the following described real property, situated in the County of Klamath, State of Oregon to-wit:

Lot 4 in Block 1 Shield Crest Tract 1172, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Also, Lot 1 in Block 1 Shield Crest Tract 1172, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, Saving and Excepting Parcel 1 and Parcel 2 of Land Partition 60-92.

Also together with an undivided interest in all those private roads shown on the plat and more particularly described in declaration recorded in Volume M84 Page 4256, and in Easement recorded May 23, 1990 in Volume M90 Page 9828, records of Klamath County, Oregon.

which Security Instrument was duly recorded in the records of said county and state. Volume 02 Page 47465-77

There is now due and owing upon the promissory note aforesaid, the principal sum of Two Hundred One Thousand Six Hundred 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 One Thousand One Hundred Sixty and 53/100 Dollars on the unpaid balance at the rate of 5.625% per annum. The first installment shall be and is payable on July 1, 2003, and a like installment shall be and is payable on the 1st 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 June 1, 2033. 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.

Joni Lynn Drinkwater
Joni Lynn Drinkwater

Carl Stephen Branch
Carl Stephen Branch

State of Oregon
County of Klamath

Personally appearing the above named Joni Lynn Drinkwater and Carl Stephen Branch
and acknowledge the foregoing instrument to be their voluntary act and deed. Before me:

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

Return to:

South Valley Bank & Trust

Vergie Wright-Stepahin
Vergie Wright-Stepahin / Vice President

