

NJC-1396-5905

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State of Oregon, County of Klamath
 Recorded 04/30/2004 11:09 AM
 Vol M04 Pg 26413
 Linda Smith, County Clerk
 Fee \$ 21.00 # of Pgs 1

AMERITITLE, HAS RECORDED THIS
 Instrument by request as an accommodation 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 28th day of April, 2004 and between Hubert D Tovrea and Blythe B Stenmark-Tovrea hereinafter called the "Borrower(s)" and South Valley Bank & Trust, an Oregon Banking Corporation, hereinafter called the "Lender".

WITNESSETH: On or about the July 25, 2003, 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 \$275,000.00, payable in monthly installments with interest at the rate of 5.500% 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 July 25, 2003, conveying the following described real property, situated in the County of Klamath, State of Oregon to-wit:

Lot 787 of RUNNING Y RESORT PHASE 10 - TRACT 1394, 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 M03 Page 54621

There is now due and owing upon the promissory note aforesaid, the principal sum of Two Hundred Seventy Five Thousand and no/100, 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 hereinafter described shall be and is payable in monthly installments of One thousand five hundred thirty-nine and 93/100, on the unpaid balance at the rate of 5.375% per annum. The first installment shall be and is payable on June 1, 2004, 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 May 1, 2034. 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.

Hubert D. Tovrea
 Hubert D Tovrea

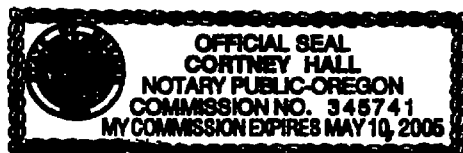
Blythe B Stenmark-Tovrea
 Blythe B Stenmark-Tovrea

State of Oregon
 County of Klamath
 Personally appearing the above named Hubert D. Tovrea and Blythe B Stenmark-Tovrea
 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

South Valley Bank & Trust

By: Neil Drew
 Neil Drew / Vice President



Return to: SVBT

2/00