**2006-019485**
**Klamath County, Oregon**

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MTC13946-8110   09/27/2006 03:49:57 PM        Fee: $21.00

# MODIFICATION OF MORTGAGE OR TRUST DEED

THIS AGREEMENT, made and entered into this 26th day of **September, 2006** and between **David T Cillis and Rebecca S Cillis** hereinafter called the "Borrower(s)" and South Valley Bank & Trust, an Oregon Banking Corporation, hereinafter called the "Lender".

WITNESSETH: On or about **September 16, 2005,** 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 **$307,200.00** payable in monthly installments with interest at the rate of **6.250%** 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 **September 16, 2005,** conveying the following described real property, situated in the County of **Klamath** State of Oregon to-wit:

**Lot 10 of Tract 1396, THIRD ADDITION TO NORTH RIDGE ESTATES, 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 M05 Page 64764**

There is now due and owing upon the promissory note aforesaid, the principal sum of **Three Hundred Seven Thousand Two Hundred Dollars and 00/100** 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 **\*\***, on the unpaid balance at the rate of **6.250%** per annum. The first installment shall be and is payable on **November 1, 2006,** 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 **March 1, 2007.** 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.

**\*\*Interest only payments on disbursed construction funds\*\***

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.

_____          _____
David T Cillis                                      Rebecca S Cillis

State of _Oregon_ )
County of _Klamath_ )
Personally appearing the above named **David T Cillis and Rebecca S Cillis** and acknowledge the foregoing instrument to be their voluntary act and deed. Before me:
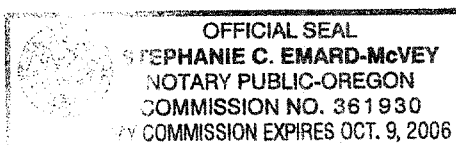
_____
Notary Public for _Oregon_
My commission expires _10-09-2006_

South Valley Bank & Trust

By: _____
Bridgitte Griffin-Smith
VP/Real Estate & Consumer Credit Manager

> OFFICIAL SEAL
> STEPHANIE C. EMARD-McVEY
> NOTARY PUBLIC-OREGON
> COMMISSION NO. 361930
> MY COMMISSION EXPIRES OCT. 9, 2006