

NJC 12914-10058

2010-006677

Klamath County, Oregon

After Recording Return To;
South Valley Bank & Trust
Attn: Toni Rinehart
PO Box 5210
Klamath Falls OR 97601



00085153201000066770030037

06/02/2010 03:18:08 PM

Fee: \$47.00

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LOAN MODIFICATION AGREEMENT
(Providing for Adjustable Interest Rate)

This Loan Modification Agreement ("Agreement"), made this 20 day of May, 2010 between Greg Conover ("Borrower") and South Valley Bank & Trust, ("Lender"), amends and supplements (1) the Mortgage, Deed of Trust or Security Debt (as modified by an Adjustable Rate Rider of the same date) (the "Security Instrument"), dated December 3, 2008 and recorded in Book or Liber ____, at page (s) ____, Doc # 2008-016157 the Klamath County Records of Oregon, and (2) the Note bearing the same date as, and secured by, the Security Instrument, which covers the real and personal property described in the Security Instrument, which covers the real and personal property described in the Security Instrument and defined therein as the "Property," located at:

5930 Delaware Avenue, Klamath Falls OR 97603

The real property described being set forth as follows:

**A TRACT OF LAND SITUATED IN LOT 27 OF HOMELAND TRACTS NO. 2, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK, KLAMATH COUNTY, OREGON, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT THE NORTHEASTERLY CORNER OF LOT 27; THENCE WEST ALONG THE SOUTHERLY LINE OF DELAWARE AVENUE 137.80 FEET; THENCE SOUTH PARALLEL TO THE WEST LINE OF LOT 27 110.00 FEET; THENCE EAST PARALLEL WITH SOUTH LINE OF DELAWARE STREET, TO THE EASTERLY LINE OF LOT 27; THENCE NORTHEASTERLY AT SAID EASTERLY LINE TO THE POINT OF BEGINNING.**

In consideration of the mutual promises and agreements exchanged, the parties hereto agree as follows (notwithstanding anything to the contrary contained in the Note or Security Instrument):

1. As of May 17, 2010, the amount payable under the Note and the Security Instrument (the "Unpaid Principal Balance") is U.S. \$157,736.39, consisting of the amount(s) loaned to Borrower by Lender and any interest capitalized to date.
2. The Borrower promises to pay the Unpaid Principal Balance, plus interest, to the order of the Lender. Interest will be charged on the Unpaid Principal Balance at the yearly rate 5.00% (the "initial rate of interest"), from June 1, 2010. The Borrower promises to make monthly payment of interest only beginning on the 1st day of July, 2010 and continuing thereafter on the same day of each succeeding month until June 1, 2011, at that time the note rate will return to the original rate of 6.875%. The Borrower promises to make monthly payment of principal and interest of U.S. \$1,065.42 beginning on the 1st day of July, 2011, and continuing thereafter on the same day of each succeeding month until principal and interest are paid in full. The amount of the monthly payment of principal and interest may change if the interest rate that Borrower must pay changes.

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.

AT (handwritten)

The Lender will determine the Borrower's new interest rate and the change amount of the required monthly payment in accordance with the terms of the Note. If on **January 1, 2039** (the Maturity Date"), the Borrower still owes amounts under the Note and the Security Instrument, as amended by this Agreement, the Borrower will pay these amounts in full on the Maturity Date.

The Borrower understands and agrees that the initial rate of interest may change on the first day of **January, 2014**, and on that day every **12th** month thereafter on the "change date" as such term is defined in the Note and Security Instrument.

The Borrower will make such payment at **South Valley Bank & Trust , PO Box 5210, Klamath Falls OR 97601** or at such other place as the Lender may require.

The Borrower understands that (i) the interest rate they are required to pay at the first Change Date will not be greater than **11.875%** or less than **4.000%**, and (ii) their interest rate will never be greater than **11.875%** as specified in the Note.

3. If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lenders' prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by the Security Instrument without further notice or demand on Borrower.

4. The Borrower also will comply with all other covenants, agreements, and requirements of the Security Instrument, including without limitation, the Borrower's covenants and agreements to make all payment of taxes, insurance premiums, assessments, escrow items, impounds and all other payment that the Borrower is obligated to make under the Security Instrument, including:
 - (a) all terms and provisions of the Note and Security Instrument (if any) providing for, implementing, or relating to, any change or adjustment in the rate of interest payable under the Note, and
 - (b) all terms and provisions of any adjustable rate rider or other instrument or document that is affixed to, wholly or partially incorporated into, or is part of, the Note or Security Instrument and that contains any such terms and provisions as those referred to in (a) above.
5. Nothing in the Agreement shall be understood or construed to be a satisfaction or release in whole or in part of the Note and Security Instrument. Except as otherwise specifically provided in this Agreement, the Note and Security Instrument will remain unchanged, and the Borrower and Lender will be bound by, and comply with, all of the terms and provisions thereof, as amended by this Agreement.

South Valley Bank & Trust (Seal)
-Lender

By: Cortney Felix
Cortney Felix, VP Residential Real
Estate Department

Greg Conover (Seal)
Greg Conover - Borrower

- Borrower (Seal)

_____[Space Below this Line for Acknowledgements]_____

State of Oregon
County of Klamath

This instrument was acknowledged before me on May 20, 2010 (date) by **Greg Conover**

(person[s] acknowledging).



Toni L Rinehart
Notary Public for Oregon