

RECORDATION REQUESTED BY:

South Valley State Bank
5215 South Sixth Street
Klamath Falls, OR 97603

WHEN RECORDED MAIL TO:

South Valley State Bank
5215 South Sixth Street
Klamath Falls, OR 97603

SEND TAX NOTICES TO:

Kenneth S Cooney and Maria Cooney
PO Box 248
Bonanza, OR 97623

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF MORTGAGE

THIS MODIFICATION OF MORTGAGE IS DATED JULY 20, 1995, BETWEEN Kenneth S Cooney and Maria Cooney, as TENANTS BY THE ENTIRETY (referred to below as "Grantor"), whose address is PO Box 248, Bonanza, OR 97623; and South Valley State Bank (referred to below as "Lender"), whose address is 5215 South Sixth Street, Klamath Falls, OR 97603.

MORTGAGE. Grantor and Lender have entered into a mortgage dated May 27, 1993 (the "Mortgage") recorded in Klamath County, State of Oregon as follows:

Recorded on July 29, 1993 at the County Clerk's Office Klamath County, Volume M93 at page 18590

REAL PROPERTY DESCRIPTION. The Mortgage covers the following described real property (the "Real Property") located in Klamath County, State of Oregon:

The SE 1/4 NW 1/4 of Section 24, Tosnwhip 38 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon

The Real Property or its address is commonly known as Keno Springs Road, Bonanza, OR 97623.

MODIFICATION. Grantor and Lender hereby modify the Mortgage as follows:

Extend Maturity date to July 15, 1996.

CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Mortgage shall remain unchanged and in full force and effect. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Mortgage as changed above nor obligate Lender to make any future modifications. Nothing in this Modification shall constitute a satisfaction of the promissory note or other credit agreement secured by the Mortgage (the "Note"). It is the intention of Lender to retain as liable all parties to the Mortgage and all parties, makers and endorsers to the Note, including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, shall not be released by virtue of this Modification. If any person who signed the original Mortgage does not sign this Modification, then all persons signing below acknowledge that this Modification is given conditionally, based on the representation to Lender that the non-signing person consents to the changes and provisions of this Modification or otherwise will not be released by it. This waiver applies not only to any initial extension or modification, but also to all such subsequent actions.

EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF MORTGAGE, AND EACH GRANTOR AGREES TO ITS TERMS.

GRANTOR:

x

Kenneth S Cooney

x

Maria Cooney

LENDER:

South Valley State Bank

By:

Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF OREGON)
) ss
COUNTY OF KLAMATH)

On this day before me, the undersigned Notary Public, personally appeared Kenneth S Cooney and Maria Cooney, to me known to be the individuals described in and who executed the Modification of Mortgage, and acknowledged that they signed the Modification as their free and voluntary act and deed, for the uses and purposes therein mentioned.

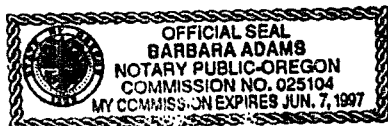
Given under my hand and official seal this 20TH day of JULY, 19 95.

By Barbara Adams

Residing at KLAMATH FALLS

Notary Public in and for the State of OREGON

My commission expires 6-7-97



LENDER ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss

On this _____ day of _____, 19____, before me, the undersigned Notary Public, personally appeared _____, authorized agent for the Lender, and known to me to be the _____, that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the said Lender, duly authorized by the Lender through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this said instrument and that the seal affixed is the corporate seal of said Lender.

By _____ Residing at _____
Notary Public in and for the State of _____ My commission expires _____

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STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of South Valley State Bank the 11th day
of August A.D., 19 95 at 11:25 o'clock A M., and duly recorded in Vol. M95,
of Mortgages on Page 21387.

FEE \$15.00

Bernetha G. Letsch, County Clerk
By Annette Mueller