

RECORDATION REQUESTED BY:

South Valley Bank & Trust
P O Box 5210
Klamath Falls, OR 97601

WHEN RECORDED MAIL TO:

South Valley Bank & Trust
P O Box 5210
Klamath Falls, OR 97601

SEND TAX NOTICES TO:

South Valley Bank & Trust
P O Box 5210
Klamath Falls, OR 97601

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST IS DATED JANUARY 29, 1997, BETWEEN Gary T. Cheyne and Denise Cheyne (referred to below as "Grantor"), whose address is 5110 Crossroads, Klamath Falls, OR 97603; and South Valley Bank & Trust (referred to below as "Lender"), whose address is P O Box 5210, Klamath Falls, OR 97601.

DEED OF TRUST. Grantor and Lender have entered into a Deed of Trust dated March 23, 1997 (the "Deed of Trust") recorded in Klamath County, State of Oregon as follows:

Recorded April 26, 1997 in Volume 8417, page 12812, #Microfilm #36621; in the Office of the Clerk of Klamath County, Oregon.

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

PARCEL 1

The NW1/4 of the NE1/4 of Section 11, Township 40 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, EXCEPTING THEREFROM:

A tract of land situated in the NW1/4NE1/4 of Section 11, Township 40 South, Range 9 East of the Willamette Meridian, more particularly described as follows:

Beginning at a point on the North line of said Section 11, from which the North quarter corner of said Section 11 bears South 88 degrees 28' 26" West 685.37 feet; thence North 88 degrees 30' 28" East along the said section line 318 feet; thence South 88 degrees 21' 34" East 80 feet; thence North 88 degrees 38' 20" East 14 feet; thence South 88 degrees 21' 34" East 580 feet; thence South 88 degrees 38' 20" West 312 feet; thence North 88 degrees 21' 34" West 680 feet to the point of beginning with the bearings based on Survey No. 3785, as recorded in the office of the Klamath County Surveyor.

PARCEL 2

A tract of land situated in the NW1/4NE1/4 of Section 11, Township 40 South, Range 9 East of the Willamette Meridian, more particularly described as follows:

Beginning at a point on the North line of said Section 11, from which the North quarter corner of said Section 11 bears South 88 degrees 38' 26" West 685.37 feet; thence North 88 degrees 38' 26" East along the said section line 318 feet; thence South 88 degrees 21' 34" East 80 feet; thence North 88 degrees 38' 26" East 14 feet; thence South 88 degrees 21' 34" East 580 feet; thence South 88 degrees 38' 26" West 312 feet; thence North 88 degrees 21' 34" West 680 feet to the point of beginning with the bearings based on Survey No. 3785, as recorded in the office of the Klamath County Surveyor.

The Real Property or its address is commonly known as 5110 Crossroads, Klamath Falls, OR 97603. The Real Property tax identification number is 4009-011C0-00100.

This is a modification to extend the maturity date of the original Deed of Trust by one year, from April 15, 1998 to April 15, 1999.

MODIFICATION. Grantor and Lender hereby modify the Deed of Trust as follows:

The two (2) parcels previously described above are now subject to a new Deed of Trust, dated January 29, 1997, recorded in Volume 8417, page 12812, #Microfilm #36621, which has replaced the original Deed of Trust.

Extend the maturity date to April 15, 1999.

CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Deed of Trust 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 Deed of Trust 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 Deed of Trust (the "Note"). It is the intention of Lender to retain as liable all parties to the Deed of Trust 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 Deed of Trust 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 DEED OF TRUST, AND EACH GRANTOR AGREES TO ITS TERMS.

GRANTOR: *Gary T. Cheyne*

WIA COMMERCIAL 125/12

DA

125/12

X *Gary T. Cheyne*

X *Denise Cheyne*

Witnessed by: *Gary T. Cheyne* and *Denise Cheyne*, both of whom are personally known to me and whose signatures are acknowledged by me to be genuine and voluntary.

LENDER:

South Valley Bank & Trust

John Shangraw
Authorized Officer

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DA

IN WITNESS WHEREOF, the parties hereto have executed this instrument this 29th day of January, 1997.

Rec'd KC 305876
81-58-2682

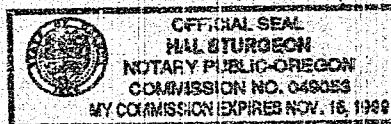
RECORDED IN KLA
INDIVIDUAL DEED OF TRUST

125/12
E 100-5

4314

State of Oregon
County of Klamath

This instrument was acknowledged before me on January 27, 1998 by Denise Cheyette.



Hil Sturgeon
My commission expires: Nov 16 1999

This Notary Certificate is prepared on a separate page and is attached to the document entitled Mortification of Deed of Trust containing 1 pages and is attached to that document by means of staple.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of South Valley Bank the 10th day of February A.D. 1998 at 1:36 o'clock P.M., and duly recorded in Vol. M98 of Mortgages on Page 4312.
FEE \$20.00 By Bernieha G. Letsch, County Clerk
Kathleen Rosa