

63767

RECORDATION REQUESTED BY:

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

'98 JUL 31 P3:26

Vol. 1998 Page 28233

WHEN RECORDED MAIL TO:

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

SEND TAX NOTICES TO:

James R Lancaster and Janice M Lancaster
Star Route Box 145
Chemult, OR 97731

AMERITILE, 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.

MTC1396-9285

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST IS DATED JULY 28, 1998, BETWEEN James R Lancaster and Janice M Lancaster, as TENANTS BY THE ENTIRETY (referred to below as "Grantor"), whose address is Star Route Box 145, Chemult, OR 97731; 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 September 9, 1994 (the "Deed of Trust") recorded in Klamath County, State of Oregon as follows:

Recorded in Klamath County at the Clerk's Office at Volume M94 on Page 28773 and Modified on December 30, 1997 at volume M98, page 556

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

See attached Exhibit A

The Real Property or its address is commonly known as Star Route Box 145, Chemult, OR 97731.

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

Extend the Maturity date to July 30, 1998.

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:

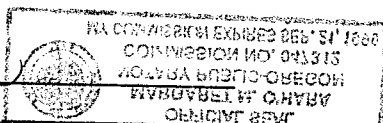
x James R Lancaster
James R Lancaster

x Janice M Lancaster
Janice M Lancaster

LENDER:

South Valley Bank & Trust

By: Carri Rice
Authorized Officer



INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon

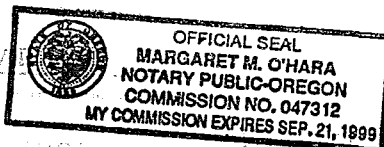
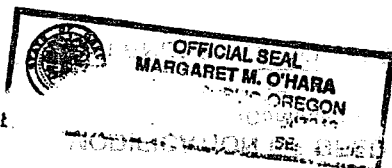
COUNTY OF Klamath

On this day before me, the undersigned Notary Public, personally appeared James R Lancaster and Janice M Lancaster, to me known to be the individuals described in and who executed the Modification of Deed of Trust, 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 28 day of July, 1998.

By Margaret M. O'Hara Residing at Chemult, Or 97732

Notary Public in and for the State of Oregon My commission expires Sept 21, 1999



PARCEL 1

W1/2 W1/2 W1/2 of Lot 1, Section 7, Township 29 South, Range 8, East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 2

That parcel of land enclosed by a line starting at point 174.98 feet East from the Northwest corner of Section 7, Township 29 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, thence Easterly along the North boundary of said Section 7 for a distance of 382.6 feet, thence Southerly parallel to the West boundary of said Section 7 for a distance of 382.6 feet; thence Westerly along a line parallel to the Northern boundary of said Section 7 for a distance of 382.6 feet; thence Northerly parallel to the West boundary of said Section 7 for a distance of 382.6 feet to the Point of Beginning.

EXCEPTING THEREFROM that portion of Parcel No. 1 and Parcel No. 2 the portion of land more particularly described as follows: A tract of land located in Section 7, Township 29 South, Range 8 East of the Willamette Meridian; beginning at the intersection of the North boundary line of the Klamath Indian Reservation and the Easterly line of the Dalles-California Highway; thence Southeasterly along the Easterly line of said Highway 50 feet; thence Northeasterly parallel with the North line of said Klamath Indian Reservation 200 feet; thence Northwesterly parallel with the Easterly line of said Highway 50 feet to the North line of the Klamath Indian Reservation; thence Southwesterly along the said North line 200 feet to the True Point of Beginning.

STATE OF OREGON: COUNTY OF KLAMATH : ss.

Filed for record at request of AMERITITLE the 31st day
of JULY A.D., 19 98 at 3:26 o'clock P M., and duly recorded in Vol. M98,
of Mortgages on Page 28233.

FEE \$20.00

By Bernetha G. Letsch, County Clerk
Kathleen Kase