

RECORDATION REQUESTED BY: 98 AUG 13 P 1:16

South Valley Bank & Trust
P O Box 5210
Klamath Falls, OR 97603

WHEN RECORDED MAIL TO:

South Valley Bank & Trust
P O Box 5210
Klamath Falls, OR 97603

SEND TAX NOTICES TO:

Kenneth S A Cooney and Maria Cooney
34800 Keno Springs Rd
Bonanza, OR 97003

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST IS DATED AUGUST 6, 1998, BETWEEN Kenneth S A Cooney and Maria Cooney, as tenants by the entirety (referred to below as "Grantor"), whose address is 34800 Keno Springs Rd, Bonanza, OR 97623; and South Valley Bank & Trust (referred to below as "Lender"), whose address is P O Box 5210, Klamath Falls, OR 97603.

DEED OF TRUST. Grantor and Lender have entered into a Deed of Trust dated May 27, 1993 (the "Deed of Trust") recorded in Klamath County, State of Oregon as follows:

Recorded on July 29, 1993 at the County Clerk's Office in Klamath County, Volume M93 at page 18599; Modified on September 14, 1994, Volume M94 at page 28810; Modified on August 11, 1995, Volume M95 at page 21329; Modified on December 13, 1996, Volume M96 at page 39241

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

Portion of Lot 2, Block 49 of FIRST ADDITION to the City of Klamath Falls, Oregon, and portion of Lot 7 in Block 7 of EWAUNA HEIGHTS ADDITION to the City of Klamath Falls, Oregon, described as follows: Beginning on the Southerly line of Southerly line of Washington Street in said City of Klamath Falls, Oregon, at the Northwest corner of said Lot 2, Block 49, FIRST ADDITION; thence Northeasterly along said line of Washington Street, 50 feet; thence Southeasterly and parallel with Fourth Street, 50 feet; thence Southwesterly and parallel with Washington Street 6.6 feet; thence Southeasterly and parallel with Fourth Street 60 feet to the Northerly line of alley through said Block 49; thence Southwesterly along said alley line 43.8 feet to Southwest corner of Lot 2 of said Block 49; thence Northwesterly and parallel with Fourth Street, 100 feet to the place of beginning.

The Real Property or its address is commonly known as 328 Washington, Klamath Falls, OR 97601.

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

Extend Maturity date to July 15, 1999 and Decrease Loan Amount to \$75,000.00

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, 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.

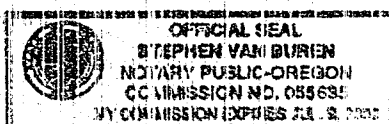
EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF DEED OF TRUST, AND EACH GRANTOR AGREES TO ITS TERMS.

GRANTOR:
X Kenneth S A Cooney
X Maria Cooney
LENDER:
South Valley Bank & Trust
By: Stephen Van Buren
Authorized Officer

X Maria Cooney

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon)
COUNTY OF Klamath) ss



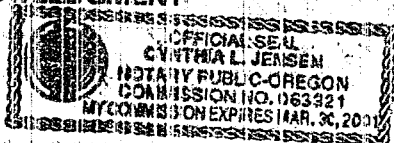
On this day before me, the undersigned Notary Public, personally appeared Kenneth S A Cooney and Maria Cooney, to me known to be the individuals described in and who executed the Modification of Deed of Trust, and acknowledged that they signed the Modification as their free and voluntary act and deed,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

Given under my hand and official seal this 6th day of August, 1998
By: Stephen Van Buren Notary Public in and for the State of Oregon
My commission expires 7/9/2000

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LENDER ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Klamath



On this 6th day of August, 1998, before me, the undersigned Notary Public, personally appeared Stephen VanBuren and known to me to be the Loan Officer, authorized agent for the Lender 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 he seal affixed in the corporate seal of said Lender.

By Cynthia L. Jensen Resulting at Klamath Falls
Notary Public in and for the State of Oregon My commission expires 3/30/2001

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STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of S. Valley the 13th day
of Aug, A.D., 19 98 at 1:16 o'clock P. M. and duly recorded in Vol. M98
of Mortgages on Page 29796

FEE \$15.00

By Bernetha G. Letch, County Clerk
Kathleen Ross