

TLS 5/19
RECORDATION REQUESTED BY:

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

Vol M99 Page 20036

WHEN RECORDED MAIL TO:

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

SEND TAX NOTICES TO:

Shield Crest, Inc.
P O Box 5047
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 MAY 13, 1999, BETWEEN Shield Crest, Inc., an Oregon Corporation, An estate in fee simple (referred to below as "Grantor"), whose address is P O Box 5047, Klamath Falls, OR 97601; and South Valley Bank and 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 June 25, 1997 (the "Deed of Trust") recorded in Klamath County, State of Oregon as follows:

Recorded on July 7, 1997 in the Klamath County Clerk's Office Volume M97 at Page 21005, reception #40563; Modified on July 15, 1998 in the Klamath County Clerk's Office Volume M98 at page 25492, reception #62439; Modified on November 19, 1998 at the Klamath County Clerk's Office, Volume M98, page 42442, reception #70109

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

RESIDENTIAL LOTS

BLOCK 1: LOTS 2, 3, 4, 5 AND 6

BLOCK 3: LOTS 19, 21, 23, 24, 25 AND 26 ALL IN SHIELD CREST - TRACT 1172, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

SPIKER RANCH:

PARCEL 3 OF MINOR LAND PARTITION 18-96 LOCATED IN THE NE1/4 NE1/4 OF SECTION 7, TOWNSHIP 39 SOUTH, RANGE 10 E.W.M.

PARCEL 3 OF MINOR LAND PARTITION 1-91 LOCATED IN THE NE1/4 NE1/4 OF SECTION 7, AND THE NW1/4 NW1/4 OF SECTION 8, TOWNSHIP 39 SOUTH, RANGE 10 EAST OF THE WILLAMETTE MERIDIAN, FILED TO THE OFFICE OF THE COUNTY CLERK.

CONDOS

LOT 11, BLOCK 4 OF TRACT 1257, RE-SUBDIVISION OF A PORTION OF FIRST ADDITION TO SHIELD CREST, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON, SAVING AND EXCEPTING THAT PORTION LYING WITHIN TRACT 1271 SHIELD CREST CONDOMINIUMS - BUILDING 3, 4, 5 AND 11.

TOGETHER WITH THE FOLLOWING DESCRIBED PARCEL: BEGINNING AT AN ANGLE POINT ON THE NORTHERLY LINE OF LOT 11, BLOCK 4, TRACT 1257 FROM WHICH POINT THE MOST NORTHERLY LINE OF LOT 11 BEARS NORTH 73 DEGREES 10' 21" W 679.00 FEET; THENCE S 73 DEGREES 10' 24" E 67.27 FEET; THENCE S 31 DEGREES 12' 48" E 277.91 FEET TO AN ANGLE POINT ON THE NORTHERLY BOUNDARY OF SAID LOT 11; THENCE N 39 DEGREES 01' 24" W 331.00 FEET TO THE POINT OF BEGINNING. ALSO TOGETHER WITH AN UNDIVIDED INTEREST IN ALL THOSE PRIVATE ROADS SHOWN ON THE PLAT AND MORE PARTICULARLY DESCRIBED IN DECLARATION RECORDED IN VOLUME M84 ON PAGE 4256, AND IN EASEMENT RECORDED MAY 23, 1990, IN VOLUME M90 ON PAGE 9828, DEED RECORDS OF KLAMATH COUNTY, OREGON.

MODIFICATION. Grantor and Lender hereby modify the Deed of Trust as follows:
Extend Maturity date to May 15, 2000

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 endorers 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:

Shield Crest, Inc.

By: Helen Cheyne
Helen Cheyne, President

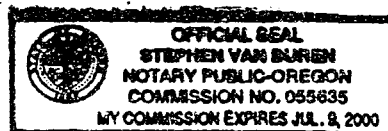
LENDER:

South Valley Bank and Trust

By: Stephen Van Buren
Authorized Officer

CORPORATE ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Klamath) ss



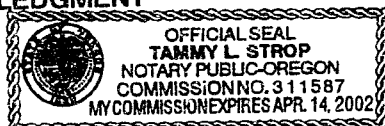
On this 17th day of May, 1999, before me, the undersigned Notary Public, personally appeared Helen Cheyne, President of Shield Crest, Inc., and known to me to be an authorized agent of the corporation that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the corporation.

By Stephen Van Buren
Notary Public in and for the State of Oregon

Residing at Klamath Falls
My commission expires 7/9/2000

LENDER ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Klamath) ss



On this 17th day of May, 1999, before me the undersigned Notary Public, personally appeared Stephen Van Buren and known to me to be the President, 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 the seal affixed is the corporate seal of said Lender.

By Tammy L. Strop
Notary Public in and for the State of Oregon

Residing at 803 Main St. K40. 97601
My commission expires April 14, 2002

State of Oregon, County of Klamath
Recorded 5/20/99, at 11:05 a.m.
In Vol. M99 Page 20036
Linda Smith, County Clerk
Fee \$ 15-

Linda Smith