

RECORDATION REQUESTED BY:

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

Vol M99 Page 29445

WHEN RECORDED MAIL TO:

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

1999 JUL 23 AM 11:21

SEND TAX NOTICES TO:

Bruce Thomas Owens
3931 Redondo Way
Klamath Falls, OR 97603

MTC 1396-11161

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST IS DATED JULY 19, 1999, BETWEEN Bruce Thomas Owens (referred to below as "Grantor"), whose address is 3931 Redondo Way, Klamath Falls, OR 97603; 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 October 14, 1998 (the "Deed of Trust") recorded in Klamath County, State of Oregon as follows:

Recorded on October 27, 1998 at the Klamath County Clerk's Office, Volume M98, page 39284

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

Parcels 1 and 2 of Land Partition 7-98 filed May 12, 1998 in the Klamath County Clerk's Office, being Lot 1, Block 1 of Tract 1111 situate in the NE1/4 Section 23, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

The Real Property or its address is commonly known as Bare Lots located 6415 Homedale Road, Klamath Falls, OR 97603. The Real Property tax identification number is 3909-02300-00400 and 3909-02300-00401.

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

Extend the Maturity Date to July 15, 2001

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 Bruce Thomas Owens
Bruce Thomas Owens

LENDER:

South Valley Bank and Trust

By: Stephen Van Buren
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon)
COUNTY OF Klamath) SS

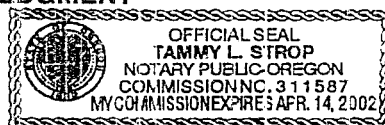


On this day before me, the undersigned Notary Public, personally appeared Bruce Thomas Owens, to me known to be the individual described in and who executed the Modification of Deed of Trust, and acknowledged that he or she signed the Modification as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 22nd day of July, 19 99
By: Stephen Van Buren Residing at Klamath Falls
Notary Public in and for the State of Oregon My commission expires July 9, 2000

LENDER ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Klamath) SS



On this 22nd day of July, 1999, before me, the undersigned Notary Public, personally appeared Stephen VanBuren and known to me to be the lending 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 the seal affixed is the corporate seal of said Lender.

By Tammy L. Strop Residing at 803 Main St. Klamath Falls, OR 97601
Notary Public in and for the State of Oregon My commission expires April 14, 2002

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State of Oregon, County of Klamath
Recorded 7/23/99, at 11:21 a.m.
In Vol. M99 Page 29445
Linda Smith,
County Clerk Fee \$ 15 - KR