

RECORDATION REQUESTED BY:

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

Vol M99 Page 31824

WHEN RECORDED MAIL TO:

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

1999 AUG -6 AM 11:25

SEND TAX NOTICES TO:

Robert Bales and Netta Bales
1138 Maple
Klamath Falls, OR 97601

AMERITITLE 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.

NTC 1306-5.E Ldt.T.

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST IS DATED NOVEMBER 25, 1997, BETWEEN Robert Bales and Netta Bales, Husband and Wife (referred to below as "Grantor"), whose address is 1138 Maple, Klamath Falls, OR 97601; 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 August 11, 1994 (the "Deed of Trust") recorded in Klamath County, State of Oregon as follows:

Recorded August 25, 1994 in the Klamath County Recorder's Office Volume M94 at Page 26637

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

Lots 770 and 771 of Block 106. MILLS ADDITION TO THE CITY OF KLAMATH FALLS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

The Real Property or its address is commonly known as 1003 East Main St, Klamath Falls, OR 97601.

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

Extend Maturity date to September 15, 1998 1999 *sh*

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 endorser 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 Robert Bales
Robert Bales

x Netta Bales
Netta Bales

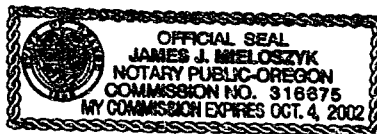
LENDER:

South Valley Bank & Trust

By James J. Mieloszyk
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon)
) SS
COUNTY OF Klamath)



On this day before me, the undersigned Notary Public, personally appeared Robert Bales and Netta Bales, 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 5 day of August, 19 99

By J. Mieloszyk

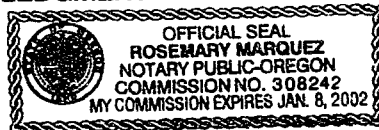
Residing at Klamath Falls Oregon

Notary Public in and for the State of Oregon

My commission expires 10-4-02

LENDER ACKNOWLEDGMENT

STATE OF Oregon)
COUNTY OF Klamath) SS



On this 5 day of August, 1999, before me, the undersigned Notary Public, personally appeared James J. Mieloszyk and known to me to be the VP, 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 Rosemary Marquez
Notary Public in and for the State of Oregon

Residing at 5215 S. 1st St
My commission expires January 8, 2002

State of Oregon, County of Klamath
Recorded 8/06/99, at 11:25 A.M.
In Vol. M99 Page 31824
Linda Smith,
County Clerk Fee\$ 15.00