

RECORDATION REQUESTED BY:

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

Vol. M99 Page 48336

1999 DEC -8 AM 11:43

WHEN RECORDED MAIL TO:

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

SEND TAX NOTICES TO:

Owen N Matthews and Debra G Matthews
29595 DeMerritt Road
Malin, OR 97632

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.

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MTC 1396-1401

MODIFICATION OF MORTGAGE

THIS MODIFICATION OF MORTGAGE IS DATED NOVEMBER 29, 1999, BETWEEN Owen N Matthews and Debra G Matthews, Husband and Wife (referred to below as "Grantor"), whose address is 29595 DeMerritt Road, Malin, OR 97632; and South Valley Bank & Trust (referred to below as "Lender"), whose address is P O Box 5210, Klamath Falls, OR 97601.

MORTGAGE. Grantor and Lender have entered into a mortgage dated July 7, 1993 (the "Mortgage") recorded in Klamath County, State of Oregon as follows:

Recorded July 22, 1993 in the Clerks Office of Klamath County, Oregon in Volume M93, page 17856, microfilm #65014; modified on December 16, 1993 to increase the principal to \$450,000.00, recorded January 3rd, 1994 in Vol. M94, page 91, microfilm #73824; modified on October 6, 1995 to extend the maturity to August 30, 1996, recorded November 2, 1995 in Vol. M95, page 30048, microfilm #8587; modified on September 26, 1996 to extend the maturity date to August 30, 1997, recorded October 2, 1996 in Vol. M96, page 31261, microfilm #26094; modified on November 25, 1997, to extend the Maturity Date to August 30, 1998, recorded December 5, 1997 in Vol. M97, page 39627, microfilm #4961

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

See Attached Exhibit A

The Real Property or its address is commonly known as 29595 DeMerritt Road, Malin, OR 97632. The Real Property tax identification number is 4112-00800-01800.

MODIFICATION. Grantor and Lender hereby modify the Mortgage as follows:

Extend the Maturity date to August 30, 2000

CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Mortgage 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 Mortgage 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 Mortgage (the "Note"). It is the intention of Lender to retain as liable all parties to the Mortgage 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 Mortgage 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 MORTGAGE, AND EACH GRANTOR AGREES TO ITS TERMS.

GRANTOR:

X Owen N Matthews

X Debra G Matthews

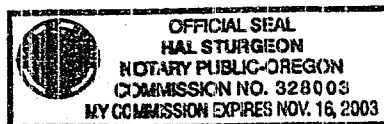
LENDER:

South Valley Bank & Trust

By: Hal Sturgeon
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon)
) SS
COUNTY OF Klamath)



On this day before me, the undersigned Notary Public, personally appeared Owen N Matthews and Debra G Matthews, to me known to be the individuals described in and who executed the Modification of Mortgage, and acknowledged that they signed the Modification as their free and voluntary act and deed, for the uses and purposes therein mentioned.

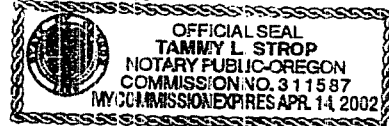
Given under my hand and official seal this 30th day of November, 19 99.

By Hal Sturgeon Residing at Klamath

Notary Public in and for the State of Oregon My commission expires Nov. 16, 2003

LENDER ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Klamath) ss



On this 10th day of December, 1999, before me, the undersigned Notary Public, personally appeared HAL STROGER 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

EXHIBIT A

A TRACT OF LAND SITUATED IN THE SE1/4 SE1/4 OF SECTION 8, TOWNSHIP 41 SOUTH, RANGE 12 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT MARKED BY A P.K. NAIL ON THE SOUTH LINE OF SAID SECTION 8, SAID POINT BEING SOUTH 89 DEGREES 50' 00" WEST 640.52 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION 8; THENCE CONTINUING SOUTH 89 DEGREES 50' 00" WEST ALONG SAID SECTION LINE, 186.00 FEET TO A P.K. NAIL; THENCE NORTH 00 DEGREES 34' 40" EAST 30.00 FEET TO A 5/8 INCH IRON PIN ON THE NORTHERLY RIGHT OF WAY LINE OF DEMERRITT ROAD; THENCE CONTINUING NORTH 00 DEGREES 34' 40" EAST 377.08 FEET TO A 5/8 INCH IRON PIN; THENCE NORTH 89 DEGREES 50' 00" EAST 186.00 FEET TO A 5/8 INCH IRON PIN; THENCE SOUTH 00 DEGREES 34' 40" WEST 377.08 FEET TO A 5/8 INCH IRON PIN ON THE NORTHERLY RIGHT OF WAY LINE OF SAID DEMERRITT ROAD; THENCE CONTINUING SOUTH 00 DEGREES 34' 40" WEST 30.00 FEET TO THE POINT OF BEGINNING.

SAVING AND EXCEPTING THEREFROM ANY PORTION IN DEMERRITT ROAD

State of Oregon, County of Klamath
Recorded 12/08/99, at H: 43 a.m.
In Vol. M99 Page 48336
Linda Smith,
County Clerk Fee \$ 26⁰⁰