

RECORDATION REQUESTED BY:

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

Vol MOO Page 40051

WHEN RECORDED MAIL TO:

200 NOV -2 AM 11:16

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

SEND TAX NOTICES TO:

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

MTC 1396-0017

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated October 31, 2000, is made and executed between Soco Development, Inc., an Oregon Non-Profit Corporation. ("Grantor") and South Valley Bank & Trust, Commercial Branch, P O Box 5210, Klamath Falls, OR 97601 ("Lender").

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated July 8, 1999 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Construction Deed of Trust recorded in Volume M98, page 12745, microfilm #56563, on April 17, 1998; Modified on May 06, 1998, recorded on May 08, 1998 Volume M98 at page 15678, reception No. 57865; Modified on October 09, 1998 recorded on October 27, 1998 Volume M98 at page 39273, reception No. 68642.

REAL PROPERTY DESCRIPTION. The Deed of Trust covers the following described real property located in Klamath County, State of Oregon:

Tract 400: A Tract of land lying in the southwest quarter of Section 34, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, said tract being more particularly described as follows:

Commencing at the southwest corner of said Section 34, which corner is a point on the center line of a county road; thence North 89 degrees 54' 58.3" East, 467 feet along the center line of the county road; thence North 0 degrees 54.6" West, 30 feet to a point on the north right-of-way line of the county road, and the TRUE POINT OF BEGINNING; thence continuing North 0 degrees 10; 54.6" West a distance of 2616.67 feet to a point on the E-W center line of section, said point being stamped "A-130-2"; thence North 89 degrees 51' 19.6" East along the E-W center line of said section, to the southwest corner of the southeast quarter of the northwest quarter of Section 34; thence continuing North 89 degrees 51' 19.6" East along the E-W center line of the section, a distance of 154.45 feet to a point "A-130-3"; thence South 0 degrees 10' 33.7" East, a distance of 1044.81 feet to "A-130-4"; thence North 89 degrees 50' 07.0" East 510.50 feet to "A-130-5"; thence South 0 degrees 11' 04.6" East, 1573.65 feet to "A-130-6", a point on the north right-of-way line of the county road; thence South 89 degrees 54' 58.3" West along the north right-of-way line of said county road, a distance of 1510.00 feet to "A-130-1", and the POINT OF BEGINNING.

Tract J: The SW 1/4 of the NW 1/4 of Section 34, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

EXCEPTING THEREFROM

Unit 10738 (Kincheloe Ave), 10845 (Kincheloe Ave), 10739 (Kincheloe Ave), 10843 (Kincheloe Ave), 10627 (Kincheloe Ave), 10356 (McGuire Ave), 10689 (McGuire Ave), 10684 (McGuire Ave), 10681 (McGuire Ave), 10465 (McGuire Ave), 10359 (McGuire Ave), 10579 (McGuire Ave), 10577 (McGuire Ave), 10575 (McGuire Ave), 10357 (McGuire Ave), 10573 (McGuire Ave), 10796 (McGuire Ave), 10632 (McGuire Ave), 10255 (McGuire Ave), 10466 (McGuire Ave), 10469 (McGuire Ave), 10358 (McGuire Ave), 10467 (McGuire Ave), 10576 (McGuire Ave), 10464 (McGuire Ave), 10471 (McGuire Ave), 10254 (McGuire Ave), 10682 (McGuire Ave), 10360 (McGuire Ave), 10470 (McGuire Ave), 10252 (McGuire Ave), 10409 (Preddy Ave), 10403 (Preddy Ave), 10426 (Preddy Ave), 10428 (Preddy Ave), 10407 (Preddy Ave), 10405 (Preddy Ave), 10642 (Preddy Ave), 10644 (Preddy Ave), 10647 (Preddy Ave), 10425 (Preddy Ave), 10646 (Preddy Ave), 10641 (Preddy Ave), 10648 (Preddy Ave), 10760 (Preddy Ave), 10427 (Preddy Ave), 10761-10763 (Preddy Ave), 10758 (Preddy Ave), 10753 (Preddy Ave), 10759 (Preddy Ave), 10755 (Preddy Ave), 10754 (Preddy Ave), 10643 (Preddy Ave), 10529 (Schilling Circle), 10533 (Schilling Circle), 10539 (Schilling Circle), 10531 (Schilling Circle), 10535 (Schilling Circle), 10728 (Vincent Dr), 10713 (Vincent Dr), 10722 (Vincent Dr), 10725 (Vincent Dr), 10727 (Vincent Dr), 10715 (Vincent Dr), 10716 (Vincent Dr), 10712 (Vincent Dr), 10717 (Vincent Dr), 10703 (Vincent Dr), 10701 (Vincent Dr), 10714 (Vincent Dr), 10720 (Vincent Dr), 10707 (Vincent Dr), 10705 (Vincent Dr), 10721 (Vincent Dr), 10723 (Vincent Dr), 10718 (Vincent Dr), 10726 (Vincent Dr), 10660 (Wright Ave), 10333 (Wright Ave), 10659 (Wright Ave), 10121 (Wright Ave), 10339 (Wright Ave), 10119 (Wright Ave), Tract 1336-Falcon Heights Condominiums-Stage 1 according to the official plat thereof on file in the office of the Klamath County Clerk, Oregon. Tract 1365-Falcon Heights Condominiums-Stage 2 according to the official plat thereof on file in the office of the Klamath County Clerk, Oregon.

The Real Property or its address is commonly known as Falcon Heights, Klamath Falls, OR 97603.

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

To extend the Maturity Date to November 05, 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.

ALTERNATE DESCRIPTION OF INDEBTEDNESS. The word "Note" means the Promissory Note #830087434 dated October 09, 1998 in the amended principal amount of \$500,000.00 from Melvin L Stewart and Robert J Bogatay to Lender, together with all renewals, extensions, modifications, refinancings and substitutions for the Note(s).

The word "Indebtedness" means the indebtedness evidenced by the Note, including all principal and interest, together with all other indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under any of the Related Documents. In addition, the word "Indebtedness" includes all other obligations, debts and liabilities, plus interest thereon, of Borrower, or any one or more to them, to Lender, as well as claims by Lender against Borrower, or any one or more of them, whether existing now or later; whether they are voluntary or involuntary, due or not due, direct or indirect, absolute or contingents, liquidated or unliquidated; whether Borrower may be liable individually or jointly with others; whether Borrower may be obligated as guarantor, surety, accommodation party or otherwise; recovery upon such indebtedness may be or hereafter may become barred by any statute of limitations; and whether such indebtedness may be or hereafter may become otherwise enforceable.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF DEED OF TRUST AND GRANTOR AGREES TO ITS TERMS. THIS MODIFICATION OF DEED OF TRUST IS DATED OCTOBER 31, 2000.

GRANTOR:

X Melvin L Stewart
Melvin L Stewart, Individually

X Robert J Bogatay
Robert J Bogatay, Individually

LENDER:

X [Signature]
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF OREGON)
) SS
COUNTY OF KLAMATH)



On this day before me, the undersigned Notary Public, personally appeared Melvin L Stewart and Robert J Bogatay, 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 31ST day of OCTOBER, 20 00.

By [Signature] Residing at KLAMATH FALLS, OREGON
Notary Public In and for the State of OREGON My commission expires 5/11/2002

LENDER ACKNOWLEDGMENT

STATE OF OREGON)
) SS
COUNTY OF KLAMATH)



On this 31ST day of OCTOBER, 20 00, before me, the undersigned Notary Public, personally appeared DAVID HUCKINS 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 the seal affixed is the corporate seal of said Lender.

By [Signature] Residing at KLAMATH FALLS, OREGON
Notary Public In and for the State of OREGON My commission expires 5/11/2002

State of Oregon, County of Klamath
Recorded 11/02/00, at 11:16 a.m.
In Vol. M00 Page 40051
Linda Smith,
County Clerk Fee \$ 26⁰⁰