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RECORDATION REQUESTED BY:

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

Vol M01 Page 13975

WHEN RECORDED MAIL TO:

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

SEND TAX NOTICES TO:

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

*mtc 1396-2617*

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated March 29, 2001, is made and executed between William L. Rudesill, whose address is 1165 Harbor Isles Blvd, Klamath Falls, OR 97601 ("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 August 30, 1995 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded in the office of the Klamath County Clerk, in September 07, 1995, Volume M95, Page 24151, microfilm #5735. Modified and recorded on March 15, 1999, Volume M99, Page 8937. Modified and recorded on July 26, 1999 in Volume M99, Page 29781. Modified on March 29, 2000, recorded on April 07, 2000 in the office of the County Clerk, Klamath County, Oregon. Volume M00, Page 11451.

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

PARCEL 1: Lot 47 in Block 1 of First Addition to Harbor Isles, Tract No. 1252, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon. PARCEL 2: Lots 45 and 46 in Block 1 of first Addition to Harbor Isles, Tract 1252, according to the official plat thereof on file in the office of the Clerk of Klamath County, Oregon.

The Real Property or its address is commonly known as 1165 Harbor Isles Blvd, Klamath Falls, OR 97601.

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

Revise the interest rate from a Variable rate to a Fixed rate of 10.00%. Revise payment schedule and Extend the Maturity Date to March 10, 2006. The Deed of Trust secures the "ORIGINAL" debt secured hereby and the restructured debt payment agreement of other obligations totaling the sum of \$439,808.89 plus interest, as evidenced by a promissory note from Grantor to Lender dated March 10, 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 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.

ALTERNATE DESCRIPTION OF THE NOTE. The word "NOTE" means the Note executed by Grantor in the principal amount of \$346,920.23 PLUS Previous Obligation of \$92,950.89, dated March 29, 2000, TOGETHER with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

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 MARCH 29, 2001.

GRANTOR:

X *William L. Rudesill*  
William L. Rudesill, Individually

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.

LENDER:

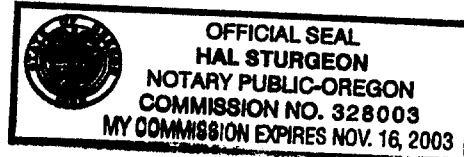
X *Hal Sturgeon*  
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon

COUNTY OF Klamath

)  
) SS  
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On this day before me, the undersigned Notary Public, personally appeared William L. Rudesill, 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 3rd day of April, 2001.

By *Hal Sturgeon*

Residing at Klamath Falls

Notary Public in and for the State of Oregon

My commission expires 11/16/03

## LENDER ACKNOWLEDGMENT

STATE OF Oregon

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COUNTY OF Klamath

) SS

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On this 3rd day of April, 2001, before me, the undersigned Notary Public, personally appeared HAL STROPEAN 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 [Signature]Residing at 803 Main Street KYO 97101Notary Public in and for the State of OregonMy commission expires April 14, 2002

State of Oregon, County of Klamath  
Recorded 04/04/01, at 3:27 p.m.  
In Vol. M01 Page 13975  
Linda Smith,  
County Clerk Fee \$ 26<sup>00</sup>