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RECORDATION REQUESTED BY:

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

Vol M01 Page 44331

WHEN RECORDED MAIL TO:

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 1396-3108

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated July 27, 2001, is made and executed between Bruce T Owens, whose address is 3623 Coronado Way, Klamath Falls, OR 97603; Individual ("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 19, 1999 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded on July 23, 1999 in the office of the County Clerk, Klamath County, Oregon. Volume M99, Page 29445.

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

Parcel 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 NE 1/4 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 Homedale Rd, Klamath Falls, OR 97603. The Real Property tax identification number is 3909-02300-00401.

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

Consolidation of two term loans.

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.

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 JULY 27, 2001.

GRANTOR:

x Bruce T. Owens
Bruce T Owens, 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 [Signature]
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Klamath

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On this day before me, the undersigned Notary Public, personally appeared **Bruce T Owens, Individual**, 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 27th day of July, 20 01.

By Bruce T. Owens

Residing at Klamath Falls

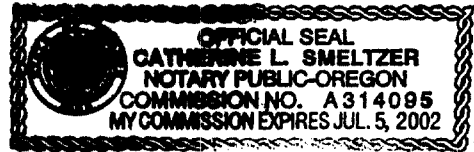
Notary Public in and for the State of Oregon

My commission expires July 5, 2002

LENDER ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Klamath

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) SS
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On this 27th day of July, 20 01, before me, the undersigned Notary Public, personally appeared Stephen M. Lambert 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 Catherine L. Smeltzer
Notary Public in and for the State of Oregon

Residing at Klamath Falls, OR
My commission expires July 5, 2002

LASER PRO Lending, Ver. 5.17.06.05 Copr. Harland Financial Solutions, Inc. 1987, 2001. All Rights Reserved. - OR FSLPWINGCNPL13202 FC TR-2404 PR-8TDLN12

State of Oregon, County of Klamath
Recorded 08/30/01 at 2:13 p.m.
In Vol. M01 Page 44331
Linda Smith,
County Clerk Fee \$ 26⁰⁰

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