

RECORDATION REQUESTED BY:

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

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

State of Oregon, County of Klamath  
Recorded 01/03/2002 11:15a m.  
Vol M02, Pg 359-60  
Linda Smith, County Clerk  
Fee \$ 26.00 # of Pgs 2

mtc 1396-3474

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated December 26, 2001, is made and executed between James J Bellet and Sherry A Bellet, as Tenants by the Entirety ("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 14, 1998 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded on July 21, 1998 in the office of the County Clerk, Klamath County, Oregon. Volume M98, Page 26641.  
Modified on October 20, 1999. Recorded on November 03, 1999 in the office of the County Clerk, Klamath County, Oregon. Volume M99, Page 43984.  
Modified on November 24, 2000. Recorded on November 30, 2000 in the office of the County Clerk, Klamath County, Oregon. Volume M00, Page 42974.  
Modified on November 26, 2001. Recorded on December 03, 2001 in the office of the County Clerk, Klamath County, Oregon. Volume M01, Page 61575.

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

Parcel 1 of Land Partition 59-95 in a portion of Lots 9 and 10 in Block 1 HOMELAND TRACTS, 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 2345 Nile St, Klamath Falls, OR 97603. The Real Property tax identification number is 3909-001CB-02100-000

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

Extend the Maturity Date to December 15, 2002.

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 endorers 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 DECEMBER 26, 2001.

GRANTOR:

x James J. Bellet  
James J Bellet, Individually

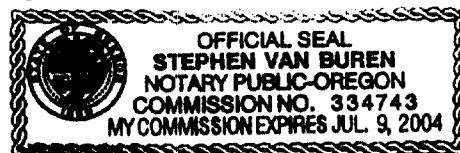
x Sherry A Bellet  
Sherry A Bellet, Individually

LENDER:

x Stephen Van Buren  
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon )  
COUNTY OF Klamath ) SS )



On this day before me, the undersigned Notary Public, personally appeared James J Bellet and Sherry A Bellet, Tenants by the Entirety, 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 27th day of December, 20 01.  
By Stephen Van Buren Residing at Klamath Falls  
Notary Public in and for the State of Oregon My commission expires July 9, 2004

LENDER ACKNOWLEDGMENT

STATE OF Oregon )  
 ) SS  
COUNTY OF Klamath )



On this 27th day of December, 20 01, before me, the undersigned Notary Public, personally appeared Stephen van Buren 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 South Valley Bank & Trust  
Notary Public in and for the State of Oregon My commission expires 2-25-05