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MODIFICATION OF MORTGAGE OR TRUST DEED

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THIS AGREEMENT, made and entered into this December 20, 2001 and between Larry D. Harvey and Antonia Harvey hereinafter called the "Borrower(s)" and South Valley Bank & Trust, an Oregon Banking Corporation, hereinafter called the "Lender".

WITNESSETH: On or about the 26th day of November 1999, the Borrower(s) (or the original maker(s) if the Borrower is an assignee of record) did make, execute and deliver to the Lender that certain promissory note in the sum of \$70,300.00, payable in monthly installments with interest at the rate of 9.5 % per annum. For the purpose of securing the payment of said promissory note, the Borrow(s) (or the original maker(s) if the Borrower(s) is an assignee of record) did make, execute and deliver to the Lender their certain Mortgage or Trust Deed, hereinafter called a "Security Instrument" bearing date of November 26, 1999 conveying the following described real property, situated in the County of Klamath, State of Oregon to-wit:

Lot 565 of RUNNING Y RESORT, PHASE 5, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

which Security Instrument was duly recorded in the records of said county and state. Volume M99 Page 47397

There is now due and owing upon the promissory note aforesaid, the principal sum of Sixty-Five Thousand Eight Hundred Thirty Dollars and 68/100, together with the accrued interest thereon, and the Borrower(s) desire a modification of the terms of payment thereof, to which the Lender is agreeable on the terms and conditions hereinafter stated and not otherwise.

NOW THEREFORE, in consideration of the premises and of the promises and agreements hereinafter contained, the parties hereto do hereby agree that the balance now due and owing on the promissory note hereinabove described shall be and is payable in monthly installments of Seven Hundred Thirty-Six Dollars and 37/100 on the unpaid balance at the rate of 9.5% per annum. The first installment shall be and is payable on January 1, 2002 and a like installment shall be and is payable on the 1st day of each month thereafter until the principal and interest are fully paid, except that the final payment of principal and interest if not sooner paid, shall be due and payable on December 1, 2005. If any of said installments or either principal or interest are not so paid, the entire balance then owing shall, at the option of the Lender or its successors in interest, become immediately due and payable without notice.

Except as herein modified in the manner and on the terms and conditions herein stated, the said promissory note and Security instrument shall be in full force and effect, with all the terms and conditions of which the Borrower(s) do agree to comply in the same manner and to the same extent as though the provisions thereof were in all respects incorporated herein and made a part of this agreement.

IN WITNESS WHEREOF, the Borrower(s) have hereunto set their hand(s) and seal(s) and the Lender has caused these presents to be executed on its behalf by its duly authorized representative this day and year first hereinafove written.

Larry D. Harvey
Larry D. Harvey
South Valley Bank & Trust

Antonia Harvey
Antonia Harvey

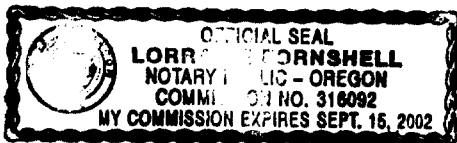
By: Vergie Wright-Stepahin
Vergie Wright-Stepahin / Vice President

State of OREGON

County of WASHINGTON

Personally appearing the above named LARRY D. HARVEY & ANTONIA HARVEY

and acknowledge the foregoing instrument to be their voluntary act and deed. Before me:



Lorraine Cornshell
Notary Public for OREGON
My commission expires 9-15-02

State of Oregon, County of Klamath
Recorded 01/03/2002 11:16 a. m.
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Linda Smith, County Clerk
Fee \$ 21.00 # of Pgs 1