

RECORDATION REQUESTED BY:

Klamath First Federal Savings & Loan Association  
Main Office and Branch  
540 Main Street  
Klamath Falls, OR 97601

Vol M02 Page 6508

WHEN RECORDED MAIL TO:

Klamath First Federal Savings & Loan Association  
714 Main Street  
3rd Floor  
Klamath Falls, OR 97601

State of Oregon, County of Klamath

Recorded 02/01/2002 3:49 p. m.

Vol M02, Pg 6508-6515

Linda Smith, County Clerk

Fee \$ 5.00 # of Pgs 8

SEND TAX NOTICES TO:

Klamath Surgery Center, Klamath Surgeons LLC, Fay Family  
LLC, Mark T. Fay M.D., Christine L.C. Fay and Glen Eric Hager  
M.D.  
2640 BIEHN ST  
KLAMATH FALLS, OR 97601

MTZ 56166-KR

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated January 18, 2002, is made and executed between Glen Eric Hager, as to the building commonly referred to as Ear Nose and Throat Clinic; Glenn Eric Hager, as to an undivided 1/2 interest and Klamath Surgery Center, LLC, as to an undivided 1/2 interest as to the building commonly referred to as Klamath Surgery Center, LLC; Fay Family LLC and Oregon Limited Liability Company, at the building commonly referred to as Klamath Ophthalmology Clinic; Glenn Eric Hager, as to an undivided 1/2 interest and Mark T. Fay and Christine L.C. Fay, as tenants by the entirety, as to an undivided 1/2 interest all as tenants in common, as to the remainder ("Grantor") and Klamath First Federal Savings & Loan Association, Main Office and Branch, 540 Main Street, Klamath Falls, OR 97601 ("Lender").

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated February 2, 1998 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded on February 3, 1998 in Vol. M98, Page 3317 in the office of the Klamath County Clerk.

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

See Exhibit "A"; "A-1"; "A-2"; "A-3"

The Real Property or its address is commonly known as 2640 Biehn Street, Klamath Falls, OR 97601. The Real Property tax identification number is 3809-020CC-01600 & 3809-020CC-01700

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

Rate Modification to a rate of 5 year TCM plus 3.000% for initial rate of 7.310% and re-amortization.

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 JANUARY 18, 2002.

GRANTOR:

KLAMATH SURGERY CENTER

By: Mark T. Fay M.D.  
Mark T. Fay M.D., Managing Member of Klamath  
Surgery Center

By: Glen Eric Hager M.D.  
Glen Eric Hager M.D., Managing Member of  
Klamath Surgery Center

KLAMATH SURGEONS LLC

By: Mark T. Fay M.D.  
Mark T. Fay M.D., Managing Member of Klamath  
Surgeons LLC

By: Glen Eric Hager M.D.  
Glen Eric Hager M.D., Managing Member of  
Klamath Surgeons LLC

FAY FAMILY LLC

By: Mark T. Fay M.D.  
Mark T. Fay M.D., Managing Member of Fay Family  
LLC

By: Christine L.C. Fay  
Christine L.C. Fay, Managing Member of Fay Family  
LLC

X Mark T. Fay M.D.  
Mark T. Fay M.D., Individually

X Christine L.C. Fay  
Christine L.C. Fay, Individually

X Glen Eric Hager M.D.  
Glen Eric Hager M.D., Individually

LENDER:

X \_\_\_\_\_  
Authorized Officer

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF \_\_\_\_\_ )  
 ) SS  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, before me, the undersigned Notary Public, personally appeared Mark T. Fay M.D., Managing Member and Glen Eric Hager M.D., Managing Member of Klamath Surgery Center, and known to me to be members or designated agents of the limited liability company that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute this Modification and in fact executed the Modification on behalf of the limited liability company.

By \_\_\_\_\_ Residing at \_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_ My commission expires \_\_\_\_\_

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF \_\_\_\_\_ )  
 ) SS  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, before me, the undersigned Notary Public, personally appeared Mark T. Fay M.D., Managing Member and Glen Eric Hager M.D., Managing Member of Klamath Surgeons LLC, and known to me to be members or designated agents of the limited liability company that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute this Modification and in fact executed the Modification on behalf of the limited liability company.

By \_\_\_\_\_ Residing at \_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_ My commission expires \_\_\_\_\_

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF \_\_\_\_\_ )  
 ) SS  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, before me, the undersigned Notary Public, personally appeared Mark T. Fay M.D., Managing Member and Christine L.C. Fay, Managing Member of Fay Family LLC, and known to me to be members or designated agents of the limited liability company that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute this Modification and in fact executed the Modification on behalf of the limited liability company.

By \_\_\_\_\_ Residing at \_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_ My commission expires \_\_\_\_\_

INDIVIDUAL ACKNOWLEDGMENT

STATE OF \_\_\_\_\_ )  
 ) SS  
COUNTY OF \_\_\_\_\_ )

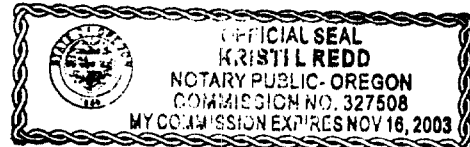
On this day before me, the undersigned Notary Public, personally appeared Mark T. Fay M.D.; Christine L.C. Fay; and Glen Eric Hager M.D., to me known to be the individuals described in and who executed the Modification of Deed of Trust, and acknowledged that they signed the Modification as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

By \_\_\_\_\_ Residing at \_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_ My commission expires \_\_\_\_\_

## NOTARY ACKNOWLEDGEMENT

STATE OF OREGON, COUNTY OF KLAMATH )) ss.

This instrument was acknowledged before me on Jan. 29, 2002  
by Mark T. Fay, M.D.as managing member of Klamath Surgery Center LLC; Klamath Surgeons LLC; Fay  
Family LLC; and individuallyKristil L. Redd  
Notary Public for OregonMy commission expires: 11/16/2003

## NOTARY ACKNOWLEDGEMENT

STATE OF OREGON, COUNTY OF KLAMATH )) ss.

This instrument was acknowledged before me on Feb. 1, 2002  
by Glen Eric Hager, M.D.as managing member of Klamath Surgery Center LLC; Klamath Surgeons LLC;  
and individuallyKristil L. Redd  
Notary Public for OregonMy commission expires: 11/16/2003

## NOTARY ACKNOWLEDGEMENT

STATE OF OREGON , COUNTY OF KLAMATH )) ss.

This instrument was acknowledged before me on Jan. 29, 2002  
by Christine L.C. Fay

as managing member of Fay Family LLC and individually

Kristil L. Redd  
Notary Public for OregonMy commission expires: 11/16/2003

## NOTARY ACKNOWLEDGEMENT

STATE OF OREGON, COUNTY OF KLAMATH )) ss.

This instrument was acknowledged before me on Feb. 1, 2002  
by Frances R. Hager, individuallyKristil L. Redd  
Notary Public for OregonMy commission expires: 11/16/2003

LENDER ACKNOWLEDGMENT

STATE OF \_\_\_\_\_ )  
 ) SS  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, before me, the undersigned Notary Public, personally appeared \_\_\_\_\_ and known to me to be the \_\_\_\_\_, 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 \_\_\_\_\_ Residing at \_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_ My commission expires \_\_\_\_\_

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

A parcel of land situated in the SW 1/4 of the SW 1/4 of Section 20, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point which is distant 1320 feet Easterly from the Section corner common to Sections 20, 29, 30 and 19 Township 38 South, Range 9 East of the Willamette Meridian, on Section line between Sections 20 and 29, and North 360 feet parallel to section line between Sections 19 and 20 to a point; thence North and parallel to Section line between Sections 19 and 20 a distance of 720 feet to a point which is the center of the Westerly terminal of Ashland Street; thence Westerly and parallel to Section line between Sections 20 and 29 a distance of 346 feet to State Highway; thence South along said State Highway a distance of 360 feet to a point; thence Southeasterly along State Highway to place of beginning; all in Section 20, Township 38 South, Range 9 East of the Willamette Meridian, EXCEPTING that portion shown in Book 95 of Deeds page 215, as sold to Klamath County, Oregon on April 30, 1931.

SAVING AND EXCEPTING the following described property: A strip of land situated in the SW 1/4 SW 1/4 of Section 20, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at the Northwest corner of that parcel conveyed on page 215 of Volume 95 of the Deed Records of Klamath County; thence West along the Northerly boundary of that tract of land conveyed on page 146 of Volume 61 of the Klamath County Deed Records 5.3 feet, more or less, to an iron pin monument which is 40.0 feet Westerly from the centerline of Biehn Street (formerly the Dalles-California Highway) as the same is presently located and constructed; thence South 0 degrees 19' 30" West parallel to and 40.0 feet Westerly from the said centerline of Biehn Street 635.3 feet, more or less, to an iron pin monument on the Northerly boundary of Lakeport Blvd. as the same is presently located and constructed; thence South 44 degrees 51' East along the Northerly boundary of Lakeport Blvd. 12.7 feet to a point on the Westerly boundary of that tract conveyed on page 215 of Volume 95 of Klamath County Deed Records; thence North 644.3 feet, more or less, to the point of beginning.

**EXHIBIT A-1**  
**LEGAL DESCRIPTION**

The building, commonly referred to as Klamath Ophthalmology Clinic, consisting of approximately 6,081 square feet and common area, at 2640 Biehn Street, Klamath Falls, Oregon, 97601, which building is situated on the real property described below, but said real property is not included with this conveyance.

A parcel of land situated in the SW 1/4 of the SW 1/4 of Section 20, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point which is distant 1320 feet Easterly from the Section corner common to Sections 20, 29, 30 and 19 Township 38 South, Range 9 East of the Willamette Meridian, on Section line between Sections 20 and 29, and North 360 feet parallel to section line between Sections 19 and 20 to a point; thence North and parallel to Section line between Sections 19 and 20 a Distance of 720 feet to a point  
(continued)

Legal Description (continued)

which is the center of the Westerly terminal of Ashland Street; thence Westerly and parallel to Section line between Sections 20 and 29 a distance of 346 feet to State Highway; thence South along said State Highway a distance of 360 feet to a point; thence Southeasterly along State Highway to place of beginning; all in Section 20, Township 38 South, Range 9 East of the Willamette Meridian, EXCEPTING that portion shown in Book 95 of Deeds page 215, as sold to Klamath County, Oregon on April 30, 1931.

SAVING AND EXCEPTING the following described property:

A strip of land situated in the SW 1/4 SW 1/4 of Section 20, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at the Northwest corner of that parcel conveyed on page 215 of Volume 95 of the Deed Records of Klamath County; thence West along the Northerly boundary of that tract of land conveyed on page 146 of Volume 61 of the Klamath County Deed Records 5.3 feet, more or less, to an iron pin monument which is 40.0 feet Westerly from the centerline of Biehn Street (formerly the Dalles-California Highway) as the same is presently located and constructed; thence South 0 degrees 19' 30" West parallel to and 40.0 feet Westerly from the said centerline of Biehn Street 635.3 feet, more or less, to an iron pin monument on the Northerly boundary of Lakeport Blvd. as the same is presently located and constructed; thence South 44 degrees 51' East along the Northerly boundary of Lakeport Blvd. 12.7 feet to a point on the Westerly boundary of that tract conveyed on page 215 of Volume 95 of Klamath County Deed Records; thence North 644.3 feet, more or less, to the point of beginning.

**EXHIBIT "A-2  
LEGAL DESCRIPTION**

The center building, commonly referred to as Klamath Surgery Center L.L.C., consisting of approximately 5,795 square feet and common area, at 2640 Biehn Street, Klamath Falls, Oregon, 97601, which building is situated on the real property described below, but said real property is not included with this conveyance. A parcel of land situated in the SW 1/4 of the SW 1/4 of Section 20, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point which is distant 1320 feet Easterly from the Section corner common to Sections 20, 29, 30 and 19 Township 38 South, Range 9 East of the Willamette Meridian, on Section line between Sections 20 and 29, and North 360 feet parallel to section line between Sections 19 and 20 to a point; thence North and parallel to Section line between Sections 19 and 20 a distance of 720 feet to a point which is the center of the Westerly terminal of Ashland Street; thence Westerly and parallel to Section line between Sections 20 and 29 a distance of 346 feet to State Highway; thence South along said State Highway a distance of 360 feet to a point; thence Southeasterly along State Highway to place of beginning; all in Section 20, Township 38 South, Range 9 East of the Willamette Meridian, EXCEPTING that portion shown in Book 95 of Deeds page 215, as sold to Klamath County, Oregon on April 30, 1931.

SAVING AND EXCEPTING the following described property:  
(continued)

Legal Description (continued)

A strip of land situated in the SW 1/4 SW 1/4 of Section 20, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at the Northwest corner of that parcel conveyed on page 215 of Volume 95 of the Deed Records of Klamath County; thence West along the Northerly boundary of that tract of land conveyed on page 146 of Volume 61 of the Klamath County Deed Records 5.3 feet, more or less, to an iron pin monument which is 40.0 feet Westerly from the centerline of Biehn Street (formerly the Dalles-California Highway) as the same is presently located and constructed; thence South 0 degrees 19' 30" West parallel to and 40.0 feet Westerly from the said centerline of Biehn Street 635.3 feet, more or less, to an iron pin monument on the Northerly boundary of Lakeport Blvd.. as the same is presently located and constructed; thence South 44 degrees 51' East along the Northerly boundary of Lakeport Blvd. 12.7 feet to a point on the Westerly boundary of that tract conveyed on page 215 of Volume 95 of Klamath County Deed Records; thence North 644.3 feet, more or less, to the point of beginning.

**EXHIBIT "A-3  
LEGAL DESCRIPTION**

The building commonly referred to as Ear, Nose & Throat Clinic, consisting of approximately 4,714 square feet and common area, at 2640 Biehn Street, Klamath Falls, Oregon, 97601, which building is situated on the real property described below, but said real property is not included with this conveyance.

A parcel of land situated in the SW 1/4 of the SW 1/4 of Section 20, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point which is distant 1320 feet Easterly from the Section corner common to Sections 20, 29, 30 and 19 Township 38 South, Range 9 East of the Willamette Meridian, on Section line between Sections 20 and 29, and North 360 feet parallel to section line between Sections 19 and 20 to a point; thence North and parallel to Section line between Sections 19 and 20 a distance of 720 feet to a point which is the center of the Westerly terminal of Ashland Street; thence Westerly and parallel to Section line between Sections 20 and 29 a distance of 346 feet to State Highway; thence South along said State Highway a distance of 360 feet to a point; thence Southeasterly along State Highway to place of beginning; all in Section 20, Township 38 South, Range 9 East of the Willamette Meridian, EXCEPTING that portion shown in Book 95 of Deeds page 215, as sold to Klamath County, Oregon on April 30, 1931.

SAVING AND EXCEPTING the following described property:

A strip of land situated in the SW 1/4 SW 1/4 of Section 20, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

(continued)

Legal Description (continued)

Beginning at the Northwest corner of that parcel conveyed on page 215 of Volume 95 of the Deed Records of Klamath County; thence West along the Northerly boundary of that tract of land conveyed on page 146 of Volume 61 of the Klamath County Deed Records 5.3 feet, more or less, to an iron pin monument which is 40.0 feet Westerly from the centerline of Biehn Street (formerly the Dalles-California Highway) as the same is presently located and constructed; thence South 0 degrees 19' 30" West parallel to and 40.0 feet Westerly from the said centerline of Biehn Street 635.3 feet, more or less, to an iron pin monument on the Northerly boundary of Lakeport Blvd. as the same is presently located and constructed; thence South 44 degrees 51' East along the Northerly boundary of Lakeport Blvd. 12.7 feet to a point on the Westerly boundary of that tract conveyed on page 215 of Volume 95 of Klamath County Deed Records; thence North 644.3 feet, more or less, to the point of beginning.