

02 MAR 4 PM 3:17

RECORDATION REQUESTED BY:

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

Vol M02 Page 13007

WHEN RECORDED MAIL TO:

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

State of Oregon, County of Klamath

Recorded 03/04/2002 3:17 P m.

Vol M02, Pg 13007-08

Linda Smith, County Clerk

Fee \$ 26⁰⁰ # of Pgs 2

SEND TAX NOTICES TO:

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

MTL 1396-3688

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF MORTGAGE

THIS MODIFICATION OF MORTGAGE dated February 28, 2002, is made and executed between Owen N Matthews and Debra G Matthews, Husband and Wife (referred to below as "Grantor") and South Valley Bank & Trust, whose address is P O Box 5210, Klamath Falls, OR 97601 (referred to below as "Lender").

MORTGAGE. Lender and Grantor have entered into a Mortgage dated July 7, 1993 (the "Mortgage") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded July 22, 1993 in the Clerks Office of Klamath County, Oregon in Volume M93, page 17856, Modified 10-6-95, recorded 11-2-95 in Book M95 at Page 30048, Modified 9-26-96, recorded 10-2-96 in Book M96 at Page 31261, Modified 11-25-97, recorded 12-5-97 in Book M97 at Page 39627, Modified 12-16-93, recorded 1-3-94 in Book M94 at Page 91, Modified 1-26-99, recorded 2-10-99 in Book M99 at Page 4858, Modified 11-29-99, recorded 12-8-99 in Book M99 at Page 48336, Modified 11-10-00, recorded 11-30-00 in Book M00 at Page 43177.

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

A tract of land situated in the SE1/4 SE1/4 of Section 8, Township 41 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point marked by a P.K. Nail on the South line of said section 8, said point being South 89 degrees 50' 00" West 640.52 feet from the Southeast corner of said Section 8: thence continuing South 89 degrees 50' 00" West along said Section line, 186.00 feet to a P.K. Nail: thence North 00 degrees 34' 40" East 30.00 feet to a 5/8 inch iron pin on the Northerly right of way line of DeMerritt Road: thence continuing North 00 degrees 34' 40" East 377.08 feet to a 5/8 inch iron pin; thence North 89 degrees 50' 00" East 186.00 feet to a 5/8 inch iron pin; thence South 00 degrees 34' 40" West 377.08 feet to a 5/8 inch iron pin on the Northerly right of way line of said DeMerritt Road; thence continuing South 00 degrees 34' 40" West 30.00 feet to the point of beginning.

The Real Property or its address is commonly known as 29595 DeMerritt Road, Malin, OR 97632. The Real Property tax identification number is 4112-00800-01800

MODIFICATION. Lender and Grantor hereby modify the Mortgage as follows:

Extend the Loan Maturity Date to August 30, 2002 and increase the amount to \$1,000,000.00.

CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Mortgage shall remain unchanged and in full force and effect and are legally valid, binding, and enforceable in accordance with their respective terms. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Mortgage 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 Mortgage (the "Note"). It is the intention of Lender to retain as liable all parties to the Mortgage 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 Mortgage 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 MORTGAGE AND GRANTOR AGREES TO ITS TERMS. THIS MODIFICATION OF MORTGAGE IS DATED FEBRUARY 28, 2002.

GRANTOR:

X Owen N Matthews
Owen N Matthews, Individually

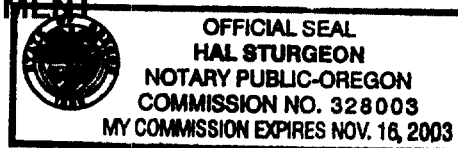
X Debra G Matthews
Debra G Matthews, Individually

LENDER:

X Hal Sturgeon
Authorized Signer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon)
) SS
COUNTY OF Klamath)



On this day before me, the undersigned Notary Public, personally appeared Owen N Matthews and Debra G Matthews, to me known to be the individuals described in and who executed the Modification of Mortgage, 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 28th day of February, 20 02.

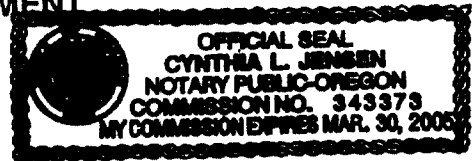
By Hal Sturgeon Residing at Klamath Falls

Notary Public in and for the State of Oregon My commission expires 11-16-2003

13007

LENDER ACKNOWLEDGMENT

STATE OF Oregon)
) SS
COUNTY OF Klamath)



On this 28th day of February, 2002, before me, the undersigned Notary Public, personally appeared Hal Sturgeon 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 Cynthia L. Jensen Residing at Klamath Falls
Notary Public In and for the State of Oregon My commission expires 3/30/05