

RECORDATION REQUESTED BY:

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

Vol M02 Page 39779

WHEN RECORDED MAIL TO:

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

Att: Cindy

State of Oregon, County of Klamath
Recorded 07/12/2002 3:03 p m.
Vol M02, Pg 39779-80
Linda Smith, County Clerk
Fee \$ 51.00 # of Pgs 2

SEND TAX NOTICES TO:

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

mtg 1396-4081

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated June 21, 2002, is made and executed between Gregory John Cheyne, whose address is 2437 South 6th Street, Klamath Falls, OR 97603 ("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 February 29, 1996 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Line of Credit Deed of Trust dated February 29, 1996, recorded April 24, 1996, Volume M96, Page 11486 in records of Klamath County, Oregon, Modified March 26, 1997, recorded April 8, 1997 Volume M97, Page 10269 in records of Klamath County, Oregon, Modified March 25, 1998, recorded March 27, 1998, Volume M98, Page 9973 in records of Klamath County, Oregon, Modified April 5, 1999, recorded April 13, 1999, Volume M99, Page 13504 in records of Klamath County, Oregon, Modified April 5, 2000, recorded April 7, 2000, Volume M00, Page 11416 in records of Klamath County, Oregon, Modified April 23, 2001, recorded April 25, 2001, Volume M01, Page 18595 in records of Klamath County, Oregon.

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

The West one-half of Lot 40 and all of Lots 41, 42, 43 and 44 in Block 4 of SIXTH STREET ADDITION, according to the official plat thereof in file in the office of the County Clerk of Klamath County, Oregon, EXCEPTING THEREFROM that parcel conveyed to State Highway Commission by William Hunt, et ux, recorded in Volume 148, Page 391 and Mabelle Deyong et vir, recorded in Volume 149, Page 159, Records of Klamath County, Oregon

The Real Property or its address is commonly known as 2437 South 6th Street, Klamath Falls, OR 97603. The Real Property tax identification number is R 3909 004AA

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

Extension of maturity date to May 15, 2003.

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 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 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 JUNE 21, 2002.

GRANTOR:

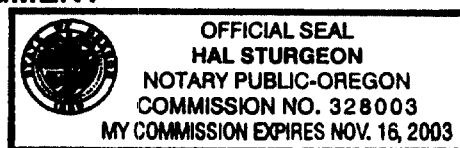
x Gregory J. Cheyne
Gregory John Cheyne, Individually

LENDER:

x Hal Sturgeon
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon)
) SS
COUNTY OF Klamath)



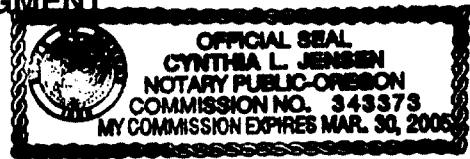
On this day before me, the undersigned Notary Public, personally appeared Gregory John Cheyne, to me known to be the individual described in and who executed the Modification of Deed of Trust, and acknowledged that he or she signed the Modification as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 25th day of June, 20 02.

By Hal Sturgeon Residing at Klamath Falls
Notary Public in and for the State of Oregon My commission expires Nov 16, 2003

LENDER ACKNOWLEDGMENT

STATE OF Oregon)
COUNTY OF Klamath) SS
)



On this 25th day of June, 20 02, 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