

RECORDATION REQUESTED BY:

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

Vol M02 Page 53933

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 09/23/2002 11:06 a.m.
Vol M02, Pg 53933-34
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

mtc 1396-4253

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated August 28, 2002, is made and executed between William C Ransom and Kristine Ransom, as tenants by the entirety, as to an undivided one-half interest and James H. Patton and Margie G. Patton, as tenants by the entirety, as to an undivided one-half interest. ("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 April 19, 1994 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded August 19, 1994 at the Klamath County Clerk's Office, Volume M94 at page 25770, modified July 25, 1997 recorded August 12, 1997 at the Klamath County Clerk's Office, Volume M97 at Page 28473.

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

Lots 7 thru 41, inclusive, Block 2, St. Francis Park, in the County of Klamath, State of Oregon. Together with that portion of alley vacated by Order of Vacation recorded August 8, 1957 in Book 293 at Page 427 and recorded March 25, 1974 in Book M-74 at Page 3704, which inures to said property.

The Real Property or its address is commonly known as 4480 South 6th St., Klamath Falls, OR 97603.

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

Second renewal and extension of terms of a term note that originated August 1994 at \$575,000.00.

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 endorsers 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 AUGUST 28, 2002.

GRANTOR:

x William C. Ransom
William C Ransom, Individually

x Kristine Ransom
Kristine Ransom, Individually

x James H. Patton
James H. Patton, Individually

x Margie G. Patton
Margie G. Patton, Individually

LENDER:

x Jeffrey S. Bradford
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Klamath

)
) SS
)



On this day before me, the undersigned Notary Public, personally appeared William C Ransom, 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 28

day of August, 20 02

By William C. Ransom

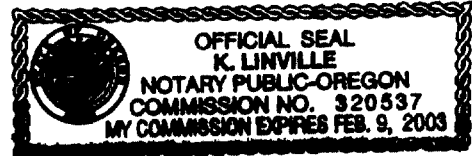
Residing at Klamath Falls, OR

Notary Public in and for the State of Oregon

My commission expires 2-9-03

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon)
) SS
COUNTY OF Clatsop)



On this day before me, the undersigned Notary Public, personally appeared Kristine Ransom, 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 28 day of August, 2002.
By K. Linville Residing at Clatsop Falls, Or
Notary Public in and for the State of Oregon My commission expires 2-9-03

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon)
) SS
COUNTY OF Clatsop)



On this day before me, the undersigned Notary Public, personally appeared James H. Patton, 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 28 day of August, 2002.
By K. Linville Residing at Clatsop
Notary Public in and for the State of Oregon My commission expires 2-9-03

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon)
) SS
COUNTY OF Clatsop)



On this day before me, the undersigned Notary Public, personally appeared Margie G. Patton, 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 28 day of August, 2002.
By K. Linville Residing at Clatsop Falls, Or
Notary Public in and for the State of Oregon My commission expires 2-9-03

LENDER ACKNOWLEDGMENT

STATE OF Oregon)
) SS
COUNTY OF Clatsop)



On this 28 day of August, 2002, 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 K. Linville Residing at Clatsop Falls, Or
Notary Public in and for the State of Oregon My commission expires 2-9-03