

RECORDATION REQUESTED BY:

Washington Mutual Bank
Bend Business Banking Center
956 Northwest Bond Street
P.O. Box 1226
Bend, OR 97701

Vol M02 Page 64808

State of Oregon, County of Klamath
Recorded 11/08/2002 11:11 a m.
Vol M02, Pg 64808-09
Linda Smith, County Clerk
Fee \$ 26.00 # of Pgs 2

WHEN RECORDED MAIL TO:

Washington Mutual Bank
Commercial Loan Servicing - Beaverton
12655 SW Center Street, Suite 380
Beaverton, OR 97005

SEND TAX NOTICES TO:

Keith & Kathleen Morrow Living Trust, dated March 15, 1991
P.O. Box 3023
Sunriver, OR 97707

MTG 1396-4428

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated November 5, 2002, is made and executed between Keith Ephriam Morrow and Kathleen Marie Morrow, not personally but as Trustees on behalf of The Keith and Kathleen Morrow Living Trust, dated March 15, 1991, whose address is P.O. Box 3023, Sunriver, OR 97707 ("Grantor") and Washington Mutual Bank, Bend Business Banking Center, 956 Northwest Bond Street, P.O. Box 1226, Bend, OR 97701 ("Lender").

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated October 22, 1997 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded October 27, 1997, in the Official Records of Klamath County, State of Oregon, as Document No. 47584, in Vol. M97, Pages 35216 - 35222, as modified from time to time.

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

Lot 185, RUNNING Y RESORT, PHASE 3, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

The Real Property or its address is commonly known as Intersection of Osprey Lane and Waxwing Court, Klamath Falls, OR 97601.

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

Pursuant to the execution of that certain Promissory Note of even date herewith, Grantor hereby agrees that the maturity date of the Deed is extended to November 15, 2007.

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 NOVEMBER 5, 2002.

GRANTOR:

KEITH & KATHLEEN MORROW LIVING TRUST, DATED MARCH 15, 1991

By: Keith Ephriam Morrow
Keith Ephriam Morrow, Trustee of Keith & Kathleen Morrow Living Trust, dated March 15, 1991

By: Kathleen Marie Morrow
Kathleen Marie Morrow, Trustee of Keith & Kathleen Morrow Living Trust, dated March 15, 1991

LENDER:

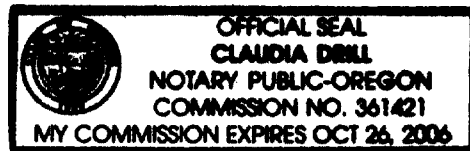
[Signature]
X
Authorized Officer

TRUST ACKNOWLEDGMENT

STATE OF Oregon

COUNTY OF Deschutes

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On this 5 day of November, 20 02, before me, the undersigned Notary Public, personally appeared Keith Ephriam Morrow, Trustee of Keith & Kathleen Morrow Living Trust, dated March 15, 1991, and known to me to be an authorized trustee or agent of the trust that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the trust, by authority set forth in the trust documents or, by authority of statute, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the trust.

By: Claudia Drill
Notary Public in and for the State of Oregon

Residing at Bend
My commission expires 10/26/06

TRUST ACKNOWLEDGMENT

STATE OF Oregon

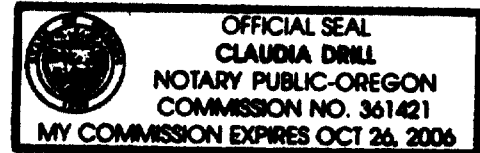
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COUNTY OF Deschutes

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On this 5 day of November, 20 02, before me, the undersigned Notary Public, personally appeared Kathleen Marie Morrow, Trustee of Keith & Kathleen Morrow Living Trust, dated March 15, 1991, and known to me to be an authorized trustee or agent of the trust that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the trust, by authority set forth in the trust documents or, by authority of statute, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the trust.

By Claudia DrillResiding at BendNotary Public in and for the State of OregonMy commission expires 10/26/06

LENDER ACKNOWLEDGMENT

STATE OF Oregon

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COUNTY OF Deschutes

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On this 5 day of November, 20 02, before me, the undersigned Notary Public, personally appeared Scott Magnus and known to me to be the Business Banking 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 Claudia DrillResiding at BendNotary Public in and for the State of OregonMy commission expires 10/26/06