

RECORDATION REQUESTED BY:

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

Vol M02 Page 73810

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 12/18/2002 11:16 A m.
Vol M02, Pg 73810-12
Linda Smith, County Clerk
Fee \$ 31.00 # of Pgs 3

SEND TAX NOTICES TO:

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

MTL 1396-4528

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated December 16, 2002, is made and executed between Melvin L Stewart and Robert J Bogatay, Vested as: Melvin L. Stewart and Robert J. Bogatay, tenants in common, each as to an undivided 1/2 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 September 2, 1998 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Original Deed of Trust dated September 2, 1998, recorded on September 28, 1998 in Volume M98, page 35280, reception #66883, modified on January 7, 1999, recorded on January 27, 1999 in Volume M99, page 3051, reception #73692 at the Klamath County Clerk's Office in Klamath County, Oregon.

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

See Exhibit "A", which is attached to this Modification and made a part of this Modification as if fully set forth herein.

The Real Property or its address is commonly known as 6100 Wesgo Drive, Klamath Falls, OR 97603. The Real Property tax identification number is 3909-01600-00900

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

Payment restructure, interest rate adjustment, and change of Maturity Date to December 5, 2005.

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 DECEMBER 16, 2002.

GRANTOR:

x Melvin L Stewart
Melvin L Stewart, Individually

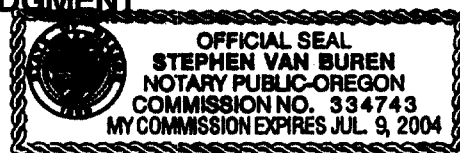
x Robert J Bogatay
Robert J Bogatay, Individually

LENDER:

x Stephen Van Buren
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Klamath



On this day before me, the undersigned Notary Public, personally appeared Melvin L Stewart and Robert J Bogatay, 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 16th day of December, 20 02.
By Stephen Van Buren Residing at Klamath Falls
Notary Public in and for the State of Oregon My commission expires July 9, 2004

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 _____

73812

EXHIBIT "A"
LEGAL DESCRIPTION

A tract of land situated in the S1/2 SE1/4 of Section 16, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

That portion of said S1/2 SE1/4 of Section 16 lying Southerly of the U.S.B.R. 1-G Drain, Northerly of the U.S.B.R. F-23 Lateral, and Westerly of the following described line. Beginning at a point from which the corner common to Sections 15, 16, 21, and 22 bears South 89 degrees 47' 10" East 682.71 feet and North 00 degrees 16' 52" East 20.00 feet; thence North 00 degrees 16' 52" East 89.63 feet; thence along the arc of a curve to the left (radius equals 70.00 feet and central angle equals 33 degrees 47' 46") 41.29 feet; thence North 33 degrees 30' 54" West 503.34 feet, more or less, to the Southerly right of way line of the U.S.B.R., 1-G Drain.

Melvin Stewart

Donna B. Stewart