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RECORDATION REQUESTED BY:

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

Vol M03 Page 47169

State of Oregon, County of Klamath

Recorded 07/08/2003 3:33 p.m.

Vol M03 Pg 47169-78

Linda Smith, County Clerk

Fee \$ 3.00 # of Pgs 3

WHEN RECORDED MAIL TO:

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

SEND TAX NOTICES TO:

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

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated July 1, 2003, is made and executed between The Woodsman Country Lodge, LLC ("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 29, 1996 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded on May 9, 1996, Volume M96, Page 13310.

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 P O Box 54, Crescent, OR 97733. The Real Property tax identification number is R-2409-030CA-00800-000

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

Restructure Payments.

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 JULY 1, 2003.

GRANTOR:

THE WOODSMAN COUNTRY LODGE, LLC

By: Charles B. O'Neal
Charles B. O'Neal, Member of The Woodsman Country Lodge, LLC

By: Jeanne R. O'Neal
Jeanne R. O'Neal, Member of The Woodsman Country Lodge, LLC

LENDER:

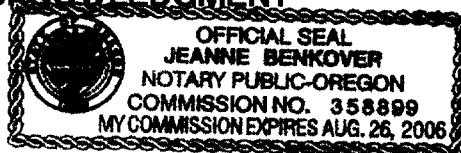
x [Signature]
Authorized Officer

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Oregon

COUNTY OF Klamath

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) SS
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On this 1st day of July, 20 03, before me, the undersigned Notary Public, personally appeared Charles B. O'Neal, Member; Jeanne R. O'Neal, Member of The Woodsman Country Lodge, LLC, and known to me to be members or designated agents of the limited liability company that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute this Modification and in fact executed the Modification on behalf of the limited liability company.

By: [Signature]
Notary Public in and for the State of Oregon

Residing at Gilchrist OR
My commission expires 8/26/06

31-
[Signature]

LENDER ACKNOWLEDGMENT

STATE OF Oregon

COUNTY OF Klamath

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) SS
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On this 7th day of JULY, 20 03, 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 [Signature]
Notary Public in and for the State of OREGON

Residing at Klamath Falls Oregon 97601
My commission expires 5-11-2006

EXHIBIT A

A tract of land situated in the ORIGINAL TOWN OF CRESCENT, Oregon, being a portion of the NE 1/4 SW1/4 of Section 30, Township 24 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon and being all, or a portion of these parcels conveyed to Douglas E Stumbaugh and Billie Jean Stumbaugh, husband and wife, be Deed Volume M70, page 8697, M72, page 7232 and M74, page 6948, Microfilm Records of Klamath County, Oregon, said tract being more particularly described as follows:

Beginning at a point on the Northwestern right-of-way line of the Dalles-California Highway (U.S. #97), as the same is presently located and constructed, which bears Northeasterly along said right-of-way a distance of 485.00 feet from its intersection with the Northeasterly line of Ward Street in said TOWN OF CRESCENT, said beginning point being the most Southerly corner of Parcel 2 in Deed Volume M70, page 8697, Microfilm Records of Klamath County, Oregon; thence continuing Northeasterly along said Highway right-of-way a distance of 205.0 feet to a point, said point being Southwesterly along said Highway right-of-way a distance of 30.0 feet from the most Easterly corner of Parcel described in Deed Volume M74, page 6948, Microfilm Records of Klamath County, Oregon; thence Northwesterly at right angles to said Highway a distance of 255.0 feet to the Southeasterly line of Riverview Street in said TOWN OF CRESCENT; thence Southwesterly along said Southeasterly line of distance of 205.0 feet to the most westerly corner of Parcel described in Deed Volume M72, page 7232, Microfilm Records of Klamath County, Oregon; thence Southeasterly at right angles to said Highway a distance of 255.0 feet, more or less, to the point of beginning.