

03 AUG 14 PM 3:24

RECORDATION REQUESTED BY:

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

State of Oregon, County of Klamath
Recorded 08/14/2003 3:24 p m
Vol M03 Pg 59260-62
Linda Smith, County Clerk
Fee \$ 31.00 # of Pgs 3

WHEN RECORDED MAIL TO:

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

SEND TAX NOTICES TO:

Scott L. Runels
Margie B. Runels
HC 63 Box 305
Chilquin, OR 97624

003-131

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated July 28, 2003, is made and executed between Scott L. Runels and Margie B. Runels, with title vested as Scott Lee Runels and Margie B. Runels, whose address is HC 63 Box 305, Chilquin, OR 97624 ("Grantor") and Washington Mutual Bank, Bend Commercial 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 18, 2002 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded November 14, 2002 in Klamath County, State of Oregon in Volume M02 and Page No. 65895-65908, 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:

See Exhibit "A" attached hereto and by this reference incorporated herein

The Real Property or its address is commonly known as Various, OR.

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

Pursuant to the execution of that certain Change in Terms Agreement of even date herewith, Grantor hereby agrees that the maturity date of the "Trust Deed" is extended to July 15, 2004.

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 28, 2003.

GRANTOR:

X Scott L. Runels
Scott L. Runels, Individually

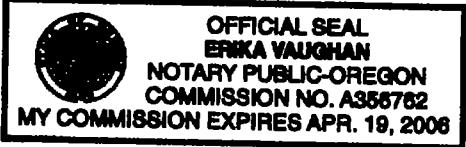
X Margie B. Runels
Margie B. Runels, Individually

LENDER:

X [Signature]
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon)
) SS
COUNTY OF Deschutes)



On this day before me, the undersigned Notary Public, personally appeared Scott L. Runels, 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 14th day of August, 2003.
By Erika Vaughan Residing at Bend
Notary Public in and for the State of Oregon My commission expires April 19, 2006

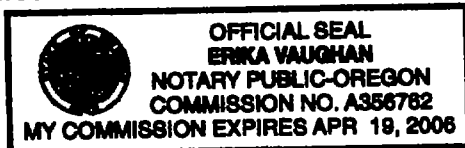
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MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 109

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon)
) SS
COUNTY OF Deschutes)

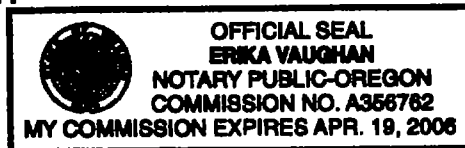


On this day before me, the undersigned Notary Public, personally appeared Margie B. Runels, to me known to be the individual described in and who executed the Modification of Deed of Trust, and acknowledged that he or she signed the Modification as his or her free and voluntary act and deed, for the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

Given under my hand and official seal this 6th day of August, 20 03.
By Erika Vaughan Residing at Bend
Notary Public in and for the State of Oregon My commission expires April 19, 2006

LENDER ACKNOWLEDGMENT

STATE OF Oregon)
) SS
COUNTY OF Deschutes)



On this 6th day of August, 20 03, before me, the undersigned Notary Public, personally appeared John G. Clark and known to me to be the BBB, 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 Erika Vaughan Residing at Bend
Notary Public in and for the State of Oregon My commission expires April 19, 2006

**EXHIBIT A
LEGAL DESCRIPTION**

This EXHIBIT "A" is attached to and by this reference is made a part of the Trust Deed, Security Agreement, Assignment of Leases and Rents, and Fixture Filing, dated October 18, 2002, and executed in connection with a loan or other accommodations between WASHINGTON MUTUAL BANK and Scott L. Runels and Margie B. Runels.

PARCEL 1:

Government Lots 1, 6, 7 and 8 of Section 32, Township 30 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, and the NE ¼ of Section 5, and the N ½ of Section 6, Township 31 South, Range 8 East of the Willamette Meridian, in Klamath County, Oregon.

PARCEL 2:

The SE ¼ and the E ½ SW ¼, and Government Lots 3 and 4, in Section 7, Township 31 South, Range 8 East of the Willamette Meridian EXCEPT that part lying in the Railroad right of way, in Klamath County, Oregon.

PARCEL 3:

The W ½ of the NE ¼ of Section 9, Township 31 South, Range 8 East of the Willamette Meridian, in Klamath County, Oregon.

The E ½ of the NE ¼ of Section 9, Township 31 South, Range 8 East of the Willamette Meridian, in Klamath County, Oregon.

The SE ¼ of Section 9, and the SW ¼ of Section 10, all in Township 31 South, Range 8 East of the Willamette Meridian, in Klamath County, Oregon.

PARCEL 4:

Township 31 South, Range 7 East of the Willamette Meridian, in Klamath County, Oregon.

Section 13: N ½ SE ¼

Township 31 South, Range 8 East of the Willamette Meridian, in Klamath County, Oregon.

Section 6: S ½

Section 8: All

Section 9: W ½

Section 10: SE ¼

Section 15: N ½

Section 16: All, EXCEPT that portion of the S ½ SE ¼ of Section 16, lying Southerly of the Silver Lake Road

Section 17: SE ¼

Section 18: All

Section 19: All, EXCEPT that portion of the S ½ of Section 19 lying Southerly of the Silver Lake Road

Section 21: N ½ N ½, EXCEPT that portion lying Southerly of the Silver Lake Road

SAVING AND EXCEPTING from the above described parcels any portion thereof lying within the right of way of the Southern Pacific Railroad.

ALSO EXCEPTING that portion conveyed to Klamath County by Deed recorded June 19, 1987 in Volume M87, page 10661, Microfilm Records of Klamath County, Oregon

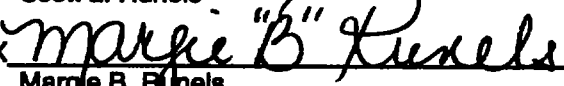
An easement for vehicular and foot traffic as recorded in Agreement recorded July 2, 1985 in Volume M85, page 10178; recorded July 2, 1985 in Volume M85, page 10181 and recorded July 18, 1985 in Volume M85, page 11391, Microfilm Records of Klamath County, Oregon. An easement for road as recorded July 1, 1985 in Volume M85, page 10184, Microfilm Records of Klamath County.

THIS EXHIBIT "A" IS EXECUTED AS OF OCTOBER 18, 2002.

GRANTOR:

x 

Scott L. Runels

x 

Margie B. Runels