

State of Oregon, County of Klamath
 Recorded 06/14/2004 11:53 a m
 Vol M04 Pg 37955-57
 Linda Smith, County Clerk
 Fee \$ 3.00 # of Pgs 3



(Reserved for Recording Purposes)

MODIFICATION OF CONTRACT

ODVA Account Number	Tax Account Number
	R609791, M47719

For good and valuable consideration, we, the undersigned, do hereby modify, amend, and change the description of the property referred to in that certain Contract of Sale between GARY J. TERPENING and LINDA M. TERPENING and the STATE OF OREGON, by and through the Director of Oregon Department of Veterans' Affairs, dated March 8, 1985, and recorded in the records of Klamath County, Oregon, VOL M85 PAGE 3822/ on March 14, 1985, on property located at 7837 Bunn Road, Bonanza, Oregon 97623-9757.

The description is changed from the following-described property (*hereinafter called "First Description"*):

(SEE LEGAL DESCRIPTION ON NEXT PAGE)

to the following-described property (*hereinafter called "Second Description"*):

(SEE LEGAL DESCRIPTION ON NEXT PAGE)

AFTER RECORDING RETURN TO:

CUSTOMER SERVICES
 OREGON DEPARTMENT OF VETERANS' AFFAIRS
 700 SUMMER STREET NE
 SALEM OR 97301-1285

Returned @ Counter

Until a change is requested, all tax statements shall be sent to the following address:

GARY J TERPENING
 7837 BUNN RD
 BONANZA OR 97623-9757

31V

First Description:

All that real property situated in Section 28 Township 39 South, Range 12 East of the Willamette Meridian, more particularly described as follows:

The E½ of the SE¼ of Section 28, Township 39 South Range 12 East of the Willamette Meridian, Klamath County, State of Oregon.

EXCEPTING THEREFROM that portion conveyed to the United States of America by instruments recorded in Deed Book 69 at page 267 and in Deed Book 69 at page 271, records of Klamath County, Oregon.

Together with the following described mobile home, which is firmly affixed to the property:
1974 24 x 60 Prestige mobile home – Serial #3449UX.

Excepting and reserving to itself, its successors, and assigns, all minerals, as defined in ORS 273.755(1), and all geothermal resources as defined in ORS 273.755(2), together with the right to make such use of the surface as may be reasonably necessary for prospecting for, exploring for, mining, extracting, reinjecting, storing, drilling for and removing such minerals and geothermal resources; provided, however, that the rights hereby reserved to use the surface for any of the above activities shall be subordinate to that use of the surface of the premises deeded herein, or any part thereof, being made by the owner thereof on the date the State of Oregon leases its reserved minerals or geothermal resources; in the event such use of the premises by a surfaced rights owner would be damaged by one or more of the activities described above then such owner shall be entitled to compensation from the State's lessee to the extent of the diminution in value of the surface rights of owner's interest.

Second Description:

All that real property situated in Section 28 Township 39 South, Range 12 East of the Willamette Meridian, more particularly described as follows:

The E½ of the SE¼ of Section 28, Township 39 South Range 12 East of the Willamette Meridian, Klamath County, State of Oregon.

EXCEPTING THEREFROM that portion conveyed to the United States of America by instruments recorded in Deed Book 69 at page 267 and in Deed Book 69 at page 271, records of Klamath County, Oregon.

Excepting and reserving to itself, its successors, and assigns, all minerals, as defined in ORS 273.755(1), and all geothermal resources as defined in ORS 273.755(2), together with the right to make such use of the surface as may be reasonably necessary for prospecting for, exploring for, mining, extracting, reinjecting, storing, drilling for and removing such minerals and geothermal resources; provided, however, that the rights hereby reserved to use the surface for any of the above activities shall be subordinate to that use of the surface of the premises deeded herein, or any part thereof, being made by the owner thereof on the date the State of Oregon leases its reserved minerals or geothermal resources; in the event such use of the premises by a surfaced rights owner would be damaged by one or more of the activities described above then such owner shall be entitled to compensation from the State's lessee to the extent of the diminution in value of the surface rights of owner's interest.

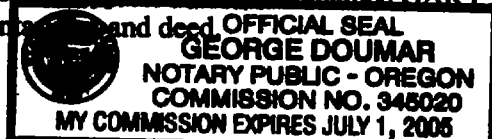
In all other respects, the original Contract remains the same.

Signature of Borrower <u>Gary J. Terpening</u>	Date Signed <u>6-14-04</u>
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STATE OF OREGON)

County of Klamath) Ss.On 6-14-04

personally appeared the above-named GARY J. TERPENING and acknowledged the foregoing instrument to be his/her voluntary act and deed.



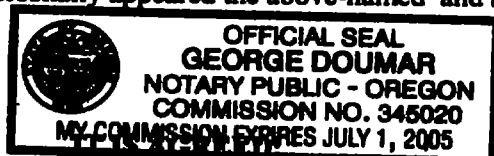
Before me: George Doumar
Notary Public for Oregon

Signature of Co-Borrower <u>Linda M. Terpening</u>	Date Signed <u>6/14/04</u>
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STATE OF OREGON)

County of Klamath) Ss.On 6-14-04

personally appeared the above-named and acknowledged the foregoing instrument to be his/her voluntary act and deed.



Before me: George Doumar
Notary Public for Oregon

1. The property described in the second description is accepted as the security for the loan secured by the original Contract.
2. Any property described in the first description that is not included in the second description is hereby released from Contract.

IN WITNESS WHEREOF, the State of Oregon, represented and acting by the Director of the Oregon Department of Veterans' Affairs, has caused these presents to be executed June 10, 2004, at Salem, Oregon.

DIRECTOR OF OREGON DEPARTMENT OF VETERANS' AFFAIRS-Lender

By: Joyce D. Hlopek

Joyce D. Hlopek, Accounts Services Manager

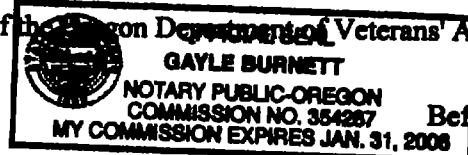
STATE OF OREGON)

)ss.

County of Marion)

On June 10, 2004,

this instrument was acknowledged before me by the above-named Joyce D. Hlopek, Accounts Services Manager, who personally appeared, and, being first duly sworn, did say that she is authorized to sign the foregoing document on behalf of the Oregon Department of Veterans' Affairs by authority of its Director.

Before me: Gayle Burnett

Notary Public for Oregon