

State of Oregon, County of Klamath
 Recorded 08/14/2004 12:48 p m
 Vol M04 Pg 38000-01
 Linda Smith, County Clerk
 Fee \$ 26.00 # of Pgs 2

GRANTOR NAME & ADDRESS:
 Allen and Teresa Foreman
 P.O. Box 167
 Chiloquin, OR 97624

BENEFICIARY INFORMATION:
 Aaron Ray Smith, PR Estate of
 Lavina V. Smith, c/o Neal G. Buchanan
 435 Oak Ave., Klamath Falls, OR

AFTER RECORDING RETURN TO:

Neal G. Buchanan

UNTIL A CHANGE IS REQUESTED, SEND TAX
 STATEMENTS TO: unchanged

MODIFICATION OF MORTGAGE OR TRUST DEED

effective

THIS AGREEMENT, made and entered into the 1st day of
October, 2001, by and between Aaron Ray Smith as Personal
 Representative for the Estate of Lavina V. Smith, hereinafter
 called first party, and Allen Foreman and Teresa Foreman, Husband
 and Wife, hereinafter called second party.

WITNESSETH:

On or about January 23, 1998 (dated effective January 21,
 1998), Allen Foreman and Teresa Foreman, hereinafter called
 Grantor, made, executed and delivered to Aaron Ray Smith as
 Personal Representative for the Estate of Lavina V. Smith, a
 promissory note in the sum of \$53,500.86, together with the
 Grantor's trust deed, securing the note. The Trust Deed was
 recorded in the Mortgage Records of Klamath County, Oregon, on
 January 23, 1998, in book/reel/volume No. M98, at page 2303 or as
 instrument No. 52140, reference to which hereby is made.

The first party (beneficiary) currently is the owner and
 holder of the note and Trust Deed. The second party is the
 Grantor and the current owner of the real property described in
 the Trust Deed. The unpaid principal balance of the note is
 \$42,219.28. Interest thereon is paid to the 26th day of February,
 2001.

First and second party have agreed that an additional
 undivided interest in the real property which is the subject of
 the Trust Deed shall be conveyed to second party. In exchange for
 such conveyance, second party agrees to increase the unpaid
 principal balance of the note effective the 1st day of October,
 2001 by the sum of \$3,000.00. Further, the real property which
 serves as security for the above-referenced Trust Deed shall be
 modified so as to include ALL interest in the subject real
 property.

NOW, THEREFORE, for value received, receipt of which hereby
 is acknowledged by the second party, the first and second parties
 hereby agree as follows:

1. First party shall execute, deliver and record a Warranty
 Deed conveying the remaining undivided interest in the subject
 real property; and

2. Second party agrees that the unpaid balance of the
 promissory note secured by such Trust Deed shall be increased by
 the sum of \$3,000.00 effective October 1, 2001; and

3. The parties agree that the real property secured by the
 Trust Deed securing payment of the promissory note shall be
 modified so as include ALL interest (rather than certain undivided
 interests) in the two parcels of real property which are the
 subject of the Trust Deed.

In construing this document, it is understood that any party may be more than one person. If the context so requires, the singular shall be taken to mean the plural. Generally, all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

IN WITNESS WHEREOF, the parties hereto have executed this document in duplicate on the date first above written; if any undersigned party is a corporation, it has caused its name to be signed and its seal, if any, affixed by an officer or other person duly authorized to do so by order of its board of directors.

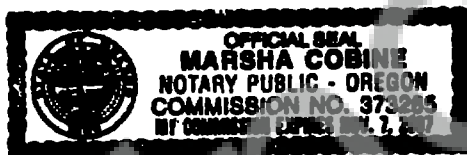
Alan R. Smith
First Party (Beneficiary)

[Signature]
Second Party (Grantor)

Teresa Foreman
Second Party (Grantor)

STATE OF OREGON, County of Klamath) ss.

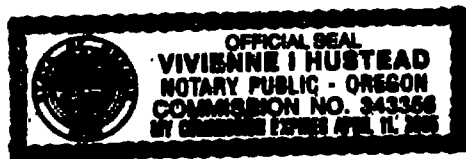
This instrument was acknowledged before me on June 8,
2004 by Allen Foreman and Teresa Foreman.



Marsha Cobine
NOTARY PUBLIC FOR OREGON
My commission expires: 11-2-07

STATE OF OREGON, County of Klamath) ss.

This instrument was acknowledged before me on June,
2004, by Alan R. Smith.



Vivienne I. Husted
NOTARY PUBLIC FOR OREGON
My commission expires: 4-11-05