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MTC-13910-6021

Vol M04 Page 39022

State of Oregon, County of Klamath
Recorded 06/17/2004 11:08 a m
Vol M04 Pg 39022-23
Linda Smith, County Clerk
Fee \$ 26.00 # of Pgs 2

AMERITITLE, has recorded this instrument by request as an accomodation only, and has not examined it for regularity and sufficiency or as to its effect upon the title to any real property that may be described therein

MODIFICATION OF MORTGAGE OR TRUST DEED

THIS AGREEMENT, made and entered into this 15 day of June, 2004 and between William S Shaffer and Ruth R Shaffer hereinafter called the "Borrower(s)" and South Valley Bank & Trust, an Oregon Banking Corporation, hereinafter called the "Lender".

WITNESSETH: On or about the November 13, 2003, the Borrower(s) (or the original maker(s) if the Borrower is an assignee of record) did make, execute and deliver to the Lender that certain promissory note in the sum of \$145,000.00, payable in monthly installments with interest at the rate of 5.250% per annum. For the purpose of securing the payment of said promissory note, the Borrow (s) (or the original maker (s) if the Borrower (s) is an assignee of record) did make, execute and deliver to the Lender their certain Mortgage or Trust Deed, hereinafter called a "Security Instrument" bearing date of November 13, 2003, conveying the following described real property, situated in the County of Klamath, State of Oregon to-wit:

Parcel 3 of Major Land Partition 21-90 being a portion of Parcel 3 of Major Land Partition No. 14-84 situated in Government Lots 11 and 14 of Section 18, Township 35 South, Range 7 East, Willamette Meridian, Klamath County, Oregon.

which Security Instrument was duly recorded in the records of said county and state. Vol M03 Page 84177

There is now due and owing upon the promissory note aforesaid, the principal sum of One Hundered Forty-Five Thousand and no/100 together with the accrued interest thereon, and the Borrower (s) desire a modification of the terms of payment thereof, to which the Lender is agreeable on the terms and conditions hereinafter stated and not otherwise.

NOW THEREFORE, in consideration of the premises and of the promises and agreements hereinafter contained, the parties hereto do hereby agree that the balance now due and owing on the promissory note hereinafter described shall be and is payable in monthly installments of Eight Hundred eighty-one and 04/100, on the unpaid balance at the rate of 6.125% per annum. The first installment shall be and is payable on August 1, 2004, and a like installment shall be and is payable on the 1st day of each month thereafter until the principal and interest are fully paid, except that the final payment of principal and interest if not sooner paid, shall be due and payable July 1, 2034. If any of said installments or either principal or interest are not so paid, the entire balance then owing shall, at the option of the Lender or its successors in interest, become immediately due and payable without notice.

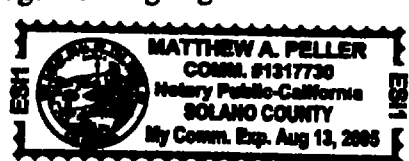
Except as herein modified in the manner and on the terms and conditions herein stated, the said promissory note and Security instrument shall be in full force and effect, with all the terms and conditions of which the Borrower(s) do agree to comply in the same manner and to the same extent as though the provisions thereof were in all respects incorporated herein and made a part of this agreement.

IN WITNESS WHEREOF, the Borrower(s) have hereunto set their hand (s) and seal (s) and the Lender has caused these presents to be executed on its behalf by its duly authorized representative this day and year first hereinabove written.

William S Shaffer
William S Shaffer

Ruth R Shaffer
Ruth R Shaffer

State of California
County of Solano
Personally appearing the above named Ruth R. Shaffer
and acknowledge the foregoing instrument to be their voluntary act and deed. Before me:



Matthew A Peller
Notary Public for Solano County, California
My commission ex-pires August 13, 2005

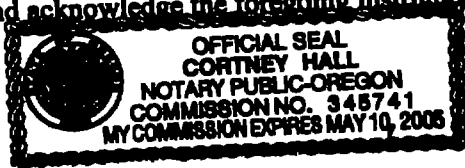
South Valley Bank & Trust
By: Neil Drew
Neil Drew / Vice President

2100
Return to: SVBT

39023

State of Oregon
County of Klamath

Personally appearing the above named William S Shaffer
and acknowledge the foregoing instrument to be their voluntary act and deed. Before me:



Cortney Hall
Notary Public for _____
My commission ex-pires may 10, 2005

South Valley Bank & Trust