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Vol M04 Page 54586

State of Oregon, County of Klamath
Recorded 08/19/04 11:10 a m
Vol M04 Pg 54586-87
Linda Smith, County Clerk
Fee \$ 26⁰⁰ # of Pgs 2

1st 213349

WHEN RECORDED MAIL TO:
Umpqua Bank
Business & Real Estate Loan Center
500 SE Cass Street / PO Box 1820
Roseburg, OR 97470

SEND TAX NOTICES TO:
ROBERT W. HENDERSON
3021 FRIENDLY ST
EUGENE, OR 97405-2393

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated August 13, 2004, is made and executed between **ROBERT W. HENDERSON**, whose address is 3021 FRIENDLY ST, EUGENE, OR 97405-2393; an estate in fee simple ("Grantor") and Umpqua Bank, Lane County Commercial Loan Center, PO Box 1820, Roseburg, OR 97470 ("Lender").

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated September 20, 2003 (the "Deed of Trust") which has been recorded in KLAMATH County, State of Oregon, as follows:

Recorded October 20, 2003 Recording No. Volume M03 page 77767, records of Klamath County, Oregon.

REAL PROPERTY DESCRIPTION. The Deed of Trust covers the following described real property located in KLAMATH County, State of Oregon:

Parcel 1:

A parcel of land located in the NE1/4 NE1/4 of Section 1, Township 24 South, Range 6 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at a point on the Section line common to Sections 1 and 6, said point bears S. 00°05'12" W., 748.21 feet from the Northeast corner of said Section 1; thence N. 89°04'11" W. 72.34 feet to a point; thence S. 16°19'55" E. 255.91 feet to a point; thence N. 00°05'12" E. 244.41 feet to the point of beginning, with bearings based on Survey #3065.

Parcel 2:

That portion of Government Lot 14, Section 6, Township 24 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, lying Northeasterly of State Highway No. 58.

Tax Parcel Number: 144999

The Real Property or its address is commonly known as 19821 HWY 58, CRESCENT LAKE, OR 97425. The Real Property tax identification number is including, but not limited to 144999, 8262, 144098

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

Increase principal balance to \$385,000.00 and change Interest Rate.

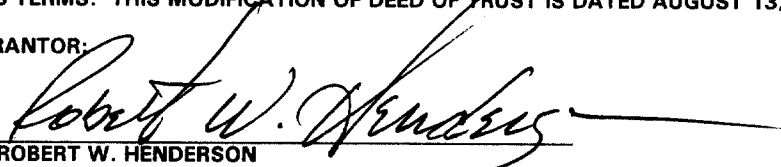
CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Deed of Trust shall remain unchanged and in full force and effect. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Deed of Trust as changed above nor obligate Lender 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.

ATTORNEY FEES AND EXPENSES. The undersigned agrees to pay on demand all of Lender's costs and expenses, including Lender's attorney fees and legal expenses, incurred in connection with enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement. Lender may also use attorneys who are salaried employees of Lender to enforce this Agreement. The undersigned shall pay all costs and expenses of all such enforcement. In the event arbitration, suit, action or other legal proceeding is brought to interpret or enforce this Agreement, the undersigned agrees to pay all additional sums as the arbitrator or court may adjudge reasonable as Lender's costs, disbursements, and attorney fees at hearing, trial, and on any and all appeals. As used in this paragraph "Agreement" means the loan agreement, promissory note, guaranty, security agreement, or other agreement, document, or instrument in which this paragraph is found, even if this document is also described by another name. Whether or not an arbitration or court action is filed, all reasonable attorney fees and expenses Lender incurs in protecting its interests and/or enforcing this Agreement shall become part of the Indebtedness evidenced or secured by this Agreement, shall bear interest at the highest applicable rate under the promissory note or credit agreement, and shall be paid to Lender by the other party or parties signing this Agreement on demand. The attorney fees and expenses covered by this paragraph include without limitation all of Lender's attorney fees (including the fees charged by Lender's in-house attorneys, calculated at hourly rates charged by attorneys in private practice with comparable skill and experience), Lender's fees and expenses for bankruptcy proceedings (including efforts to modify, vacate, or obtain relief from any automatic stay), fees and expenses for Lender's post-judgment collection activities, Lender's cost of searching lien records, searching public record databases, on-line computer legal research, title reports, surveyor reports, appraisal reports, collateral inspection reports, title insurance, and bonds issued to protect Lender's collateral, all to the fullest extent allowed by law.

VENUE. The loan transaction that is evidenced by this Agreement has been applied for, considered, approved and made in the State of Oregon. If there is a lawsuit relating to this Agreement, the undersigned shall, at Lender's request, submit to the jurisdiction of the courts of Lane, Douglas or Washington County, Oregon, as selected by Lender, in its sole discretion, except and only to the extent of procedural matters related to Lender's perfection and enforcement of its rights and remedies against the collateral for the loan, if the law requires that such a suit be brought in another jurisdiction. As used in this paragraph, the term "Agreement" means the promissory note, guaranty, security agreement or other agreement, document or instrument in which this paragraph is found, even if this document is described by another name, as well.

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 AUGUST 13, 2004.

GRANTOR:

x 
ROBERT W. HENDERSON

26 F

LENDER:

UMPQUA BANK


Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

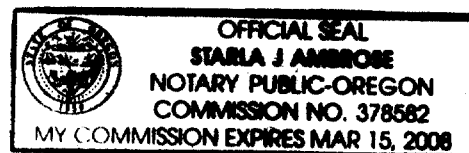
STATE OF Oregon

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COUNTY OF Lane

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On this day before me, the undersigned Notary Public, personally appeared **ROBERT W. HENDERSON**, 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 13th day of August, 2004.

By Starla J. AmbroseResiding at Springfield, ORNotary Public in and for the State of ORMy commission expires 3/15/08

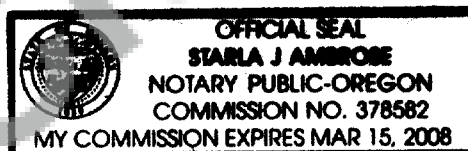
LENDER ACKNOWLEDGMENT

STATE OF Oregon

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COUNTY OF Lane

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On this 13th day of August, 2004, before me, the undersigned Notary Public, personally appeared Susie Roberts and known to me to be the Vice President

, 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 Starla J. AmbroseResiding at Springfield, ORNotary Public in and for the State of ORMy commission expires 3/15/08