

04 AUG 26 PM 3:11

MTZ-1396-6215

RECORDATION REQUESTED BY:

South Valley Bank & Trust  
Commercial Branch  
P O Box 5210  
Klamath Falls, OR 97601

Vol M04 Page 56762

State of Oregon, County of Klamath  
Recorded 08/26/04 3:11 p m  
Vol M04 Pg 56762-63  
Linda Smith, County Clerk  
Fee \$ 36.00 # of Pgs 2

WHEN RECORDED MAIL TO:

South Valley Bank & Trust  
Commercial Branch  
P O Box 5210  
Klamath Falls, OR 97601

SEND TAX NOTICES TO:

South Valley Bank & Trust  
Commercial Branch  
P O Box 5210  
Klamath Falls, OR 97601

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated August 23, 2004, is made and executed between Robert E. Bales and Netta Bales, as Tenants by the Entirety ("Grantor") and South Valley Bank & Trust, Commercial Branch, P O Box 5210, Klamath Falls, OR 97601 ("Lender").

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated August 11, 1994 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded on August 25, 1994 in Volume M94 on page 26630 instrument #86865, Modification dated August 30, 1999, recorded on September 13, 1999 in Volume M99 on page 36427 and on September 22, 1999 on page 37759 at the Klamath County Clerk's Office in Klamath Falls, Oregon.

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

Lots 770 and 771 of Block 106, MILLS ADDITION TO THE CITY OF KLAMATH FALLS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon

The Real Property or its address is commonly known as 1003 East Main Street, Klamath Falls, OR 97601. The Real Property tax identification number is 3809-033DB-06600

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

Extend maturity date to August 15, 2009.

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 AUGUST 23, 2004.

GRANTOR:

x Robert E. Bales  
Robert E. Bales

x Netta Bales  
Netta Bales

LENDER:

SOUTH VALLEY BANK & TRUST

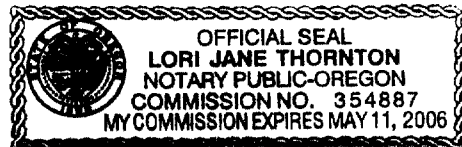
x Church Paulsen  
Authorized Officer

AMERITITLE has recorded this Instrument by request as an accommodation 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.

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon  
COUNTY OF Klamath

)  
) SS  
)



On this day before me, the undersigned Notary Public, personally appeared Robert E. Bales and Netta Bales, to me known to be the individuals described in and who executed the Modification of Deed of Trust, and acknowledged that they signed the Modification as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 23rd day of August, 20 04.

By [Signature] Residing at Klamath Falls, Oregon 97601  
Notary Public in and for the State of OREGON My commission expires 5/11/2006

2/6/05  
11:00 AM

LENDER ACKNOWLEDGMENT

STATE OF Oregon )  
 ) SS  
COUNTY OF Klamath )



On this 23rd day of August, 20 04, before me, the undersigned Notary Public, personally appeared Chuck Paulsen and known to me to be the Loan Officer, 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 [Signature] Residing at Klamath Falls, Oregon 97601  
Notary Public in and for the State of OREGON My commission expires 5/11/2006