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MTZ-1396-625B

RECORDATION REQUESTED BY:

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

Vol M04 Page 61873

State of Oregon, County of Klamath
Recorded 09/16/04 11:21 a m
Vol M04 Pg 61873-75
Linda Smith, County Clerk
Fee \$ 3.00 # of Pgs 3

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 PAMELA S. STAYNER, WHO ACQUIRED TITLE AS PAMELA S. WINN, AND HARRY A. STAYNER, JR., 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 February 27, 2001 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded on March 6, 2001 in Volume M01 on Page 8975 in the Klamath County Recorder'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:

See attached exhibit and by this reference incorporated herein

The Real Property or its address is commonly known as The Dawson House, Chemult, OR 97731. The Real Property tax identification number is 2708-021CB-02900, 2708-021C-03000, 2708-012CB-03100

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

Increase principal amount of loan to \$239,000.00, maturity date remains February 28, 2011.

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 endorers 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 Harry A. Stayner Jr.
Harry A Stayner Jr

x Pamela S. Stayner
Pamela S Stayner

LENDER:

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.

SOUTH VALLEY BANK & TRUST

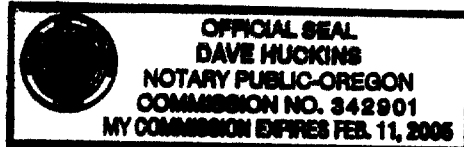
x [Signature]
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF OREGON

COUNTY OF KLAMATH

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) SS
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On this day before me, the undersigned Notary Public, personally appeared Harry A Stayner, Jr and Pamela S Stayner, 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 27th day of AUGUST, 20 04.

By [Signature]

Residing at BEND, OR

Notary Public in and for the State of OREGON

My commission expires 2-11-05

3/00
am

LENDER ACKNOWLEDGMENT

STATE OF OREGON

COUNTY OF DESCHUTES

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) SS
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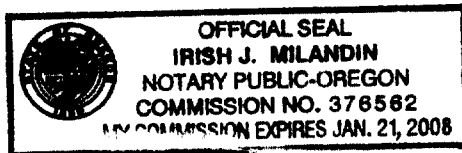
On this 30th day of AUGUST, 20 04, before me, the undersigned Notary Public, personally appeared DAVE HICKINS and known to me to be the VICE PRESIDENT OF SOUTH VALLEY BANK - TRUST, authorized agent for the Lender that executed the within and foregoing instrument and acknowledged said instrument to be 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 IRISH MILANDIN

Residing at BEND OR

Notary Public in and for the State of OREGON

My commission expires 1/21/08



61875

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 1:

Lots 1, 2, 3 and 4 in Block 1, ORIGINAL TOWNSITE OF CHEMULT, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

PARCEL 2:

Commencing at the Northwest corner of Block 8, ORIGINAL TOWNSITE OF CHEMULT on the Easterly line of the Dalles-California Highway No. 97; thence in a Southerly direction and parallel along said highway a distance of 50 feet; thence at right angles to said highway in an Easterly direction, a distance of 150 feet; thence at right angles in a Northerly direction and parallel to said highway, a distance of 50 feet to the Southerly boundary of First Street; thence at right angles along the Southerly boundary of First Street to the point of beginning; and being part and portion of the W1/2 SW1/4 of Section 21, Township 27 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

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