

RECORDATION REQUESTED BY:

South Valley State Bank  
5215 South Sixth Street  
Klamath Falls, OR 97603

'96

APR 15 P3:49

WHEN RECORDED MAIL TO:

South Valley State Bank  
5215 South Sixth Street  
Klamath Falls, OR 97603

SEND TAX NOTICES TO:

South Valley State Bank  
5215 South Sixth Street  
Klamath Falls, OR 97603

MTIC 1306773

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST IS DATED APRIL 10, 1996, BETWEEN Klamath Pacific Corporation, an Oregon Corporation (referred to below as "Grantor"), whose address is 2918 Edison Street, Klamath Falls, OR 97603; and South Valley State Bank (referred to below as "Lender"), whose address is 5215 South Sixth Street, Klamath Falls, OR 97603.

DEED OF TRUST. Grantor and Lender have entered into a Deed of Trust dated May 17, 1994 (the "Deed of Trust") recorded in Klamath County, State of Oregon as follows:

Volume M94, page 18084, reception #82482 recorded June 9, 1994 in the office of the County Clerk, Klamath Falls, OR.

REAL PROPERTY DESCRIPTION. The Deed of Trust covers the following described real property (the "Real Property") recorded in Klamath County, State of Oregon:

LOT 5, BLOCK 8, WASHBURN PARK, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON. SUBJECT TO: ALL LIENS AND ENCUMBRANCES OF RECORD AND THOSE APPARENT ON THE GROUND.

The Real Property or its address is commonly known as 2918 Edison Street, Klamath Falls, OR 97603.

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

Extend maturity date to March 31, 1998.

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.

EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF DEED OF TRUST, AND EACH GRANTOR AGREES TO ITS TERMS.

GRANTOR:

Klamath Pacific Corporation

By: Robert A Stewart  
Robert A Stewart, President

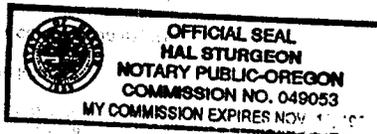
LENDER:

South Valley State Bank

By: Hal Sturgeon  
Authorized Officer

CORPORATE ACKNOWLEDGMENT

STATE OF Oregon )  
COUNTY OF Klamath ) ss



On this 11th day of April, 1996, before me, the undersigned Notary Public, personally appeared Robert A Stewart, President of Klamath Pacific Corporation, and known to me to be an authorized agent of the corporation that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Modification and in fact executed the Modification on behalf of the corporation.

By: Hal Sturgeon  
Notary Public in and for the State of Oregon

Residing at Klamath  
My commission expires Nov. 16, 1999

RECEIVED FOR RECORDATION

