

RECORDATION REQUESTED BY:

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

96 DEL 7 P 3:13

Vol 178 Page 44641

WHEN RECORDED MAIL TO:

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

SEND TAX NOTICES TO:

Harvey W Houston and Charleen K Houston
1004 New Castle
Klamath Falls, OR 97601

AMERTITLE, 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.

MTC 1396-9551

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST IS DATED NOVEMBER 12, 1998, BETWEEN Harvey W Houston and Charleen K Houston, as tenants by the entirety (referred to below as "Grantor"), whose address is 1004 New Castle, Klamath Falls, OR 97601; and South Valley Bank & Trust (referred to below as "Lender"), whose address is P O Box 5210, Klamath Falls, OR 97601.

DEED OF TRUST. Grantor and Lender have entered into a Deed of Trust dated September 8, 1994 (the "Deed of Trust") recorded in Klamath County, State of Oregon as follows:

Recorded September 8, 1994 in the Office of Klamath County, Book M94 Page 22356

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

Lots 28, 29, 30, 31, 32, 33, 34 and 35, Block 17, INDUSTRIAL ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.

The Real Property or its address is commonly known as Holly Street, Klamath Falls, OR 97601.

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

To defer the principal portion of payments due on the note and start regular payments 12/10/98.

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 substitution 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:

[Signature]
x Harvey W Houston

[Signature]
x Charleen K Houston

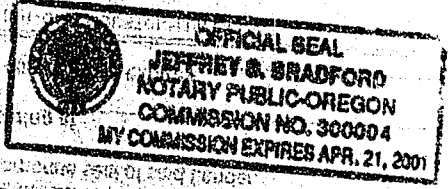
LENDER:

South Valley Bank & Trust

By: [Signature]
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Klamath



On this day before me, the undersigned Notary Public, personally appeared Harvey W Houston and Charleen K Houston, 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 24 day of November, 19 98.
By [Signature]
Notary Public in and for the State of Oregon
Residing at 201 Main St., N. Falls, OR 97601
My commission expires 4/21/01

LENDER ACKNOWLEDGMENT

FORM NO 300180
12-15-1998

MODIFICATION OF DEED OF TRUST

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