

RECORDATION REQUESTED BY:

South Valley Bank & Trust
P O Box 6210
Klamath Falls, OR 97601

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WHEN RECORDED MAIL TO:

South Valley Bank & Trust
P O Box 6210
Klamath Falls, OR 97601

SEND TAX NOTICES TO:

James L. Thompson Family Limited Partnership, an Oregon
Limited Partnership
2810 Washburn Way
Klamath Falls, OR 97603

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST IS DATED JANUARY 4, 1999, BETWEEN James L. Thompson Family Limited Partnership, an Oregon Limited Partnership, whose address is 2810 Washburn Way, Klamath Falls, OR 97603, which assumed the hereafter described Deed of Trust by Warranty Deed from James L. Thompson aka Jim L. Thompson dated June 16, 1997, recorded on July 2, 1997 in Volume M97 at page 20651, Deed Records of Klamath County, Oregon (referred to below as "Grantor"); ; and South Valley Bank & Trust (referred to below as "Lender"), whose address is P O Box 6210, Klamath Falls, OR 97601.

DEED OF TRUST. Grantor and Lender have entered into a Deed of Trust dated January 7, 1994 (the "Deed of Trust") recorded in Klamath County, State of Oregon as follows:

Recorded January 28, 1994, in the Clerks office of Klamath County, in Volume M94, page 3272.

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

PARCEL 1:

A Tract of land situate in Lot 4, Block 6, Tract 1080, Washburn Park, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, described as follows:

Beginning at a point on the East line of said lot 4 which bears North 0 Degrees 04' 50" East a distance of 51.29 feet from the iron pin marking the Southeast corner of said Lot 4; thence West a distance of 249.36 feet to a point; thence North 0 degrees 09' 45" East a distance of 379.06 feet, more or less, to the north line of said lot 4; thence South 89 degrees 55' 10" East a distance of 248.82 feet to the iron pin marking the northeast corner of said Lot 4; thence South 0 degrees 04' 50" West along said East line of Lot 4 a distance of 378.71 feet, more or less, to the point of beginning.

PARCEL 2:

A Tract of Land situated in lots 4 and 5, Block 6, Tract 1080, Washburn Park, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, more particularly described as follows:

Beginning at the East corner common to said lots 4 and 5; thence South 00 degrees 04' 50" West, along the Westerly line of Washburn Way, 123.71 feet; thence West 249.61 feet; thence North 00 degrees 09' 45" East 175.00 feet; thence East 249.36 feet to said Westerly line of Washburn Way; thence South 00 degrees 04' 50" West 51.29 feet to the point of beginning, containing 1.00 acre (43,560 square feet) with bearings based on the subdivision plat of said Tract 1080, Washburn Park.

PARCEL 3:

Lot 3, Block 5, Tract 1080, Washburn Park, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

PARCEL 4:

The Southerly 220 feet of Lot 3 in Block 6 of Tract 1080, Washburn Park, 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 2810 Washburn Way, Klamath Falls, OR 97603. The Real Property tax identification number is 3909-003CC-00200, 3909-004DD-00300, 3909-004DD-00400, 3909-004DD-01000.

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

To Designate James L. Thompson Family Limited Partnership, an Oregon Limited Partnership as the Grantor.

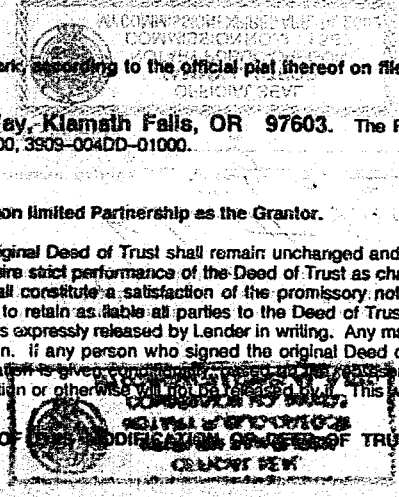
CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Deed of Trust shall remain unchanged and in full force and effect. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Deed of Trust as changed above nor obligate Lender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

James L. Thompson Family Limited Partnership, an Oregon Limited Partnership

By: James L. Thompson, General Partner



Witness lines and additional signatures.

FORM 112 011083
01-01-1998

MODIFICATION OF DEED OF TRUST

TEST M99-1

LENDER:

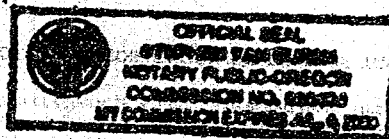
South Valley Bank & Trust

By: Stephen Van Buren
Authorized Officer

PARTNERSHIP ACKNOWLEDGMENT

STATE OF Oregon

COUNTY OF Klamath



On this 7th day of January, 1999, before me, the undersigned Notary Public, personally appeared James L. Thompson, General Partner, and known to me to be a partner or designated agent of the partnership that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the partnership, by authority of statute or its Partnership Agreement, 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 partnership.

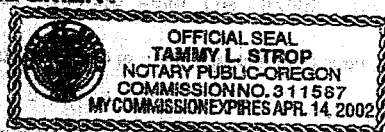
By: Stephen Van Buren
Notary Public in and for the State of Oregon

Residing at Klamath Falls
My commission expires July 9, 2000

LENDER ACKNOWLEDGMENT

STATE OF Oregon

COUNTY OF Klamath



On this 7th day of January, 1999, before me, the undersigned Notary Public, personally appeared Stephen Van Buren and known to me to be the Reading 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: Tammy L. Strop
Notary Public in and for the State of Oregon

Residing at 803 Main St. Klamath Falls Or.
My commission expires April 14 2002

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STATE OF OREGON : COUNTY OF KLAMATH: ss.

Filed for record at request of South Valley Bank the 13th day
of January A.D. 99 at 11:23 o'clock A. M., and duly recorded in Vol. M99
of Mortgages on Page 1170

FEE \$15.00

Linda Smith, County Clerk

by Kathleen Ross

MODIFICATION OF DEED OF TRUST

RECORDED IN BOOK 10
PAGE 1170
JAN 14 1999
CLERK OF COUNTY OF KLAMATH

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PAGE 1170
JAN 14 1999
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