

RECORDATION REQUESTED BY:

South Valley Bank and Trust
P O Box 5210
Klamath Falls, OR 97801

99 Min -5 P 3:47

Vol M99 Page 17310**WHEN RECORDED MAIL TO:**

South Valley Bank and Trust
P O Box 5210
Klamath Falls, OR 97801

SEND TAX NOTICES TO:

Ross Ragland Theater
731 Main Street
Klamath Falls, OR 97801

MTC 47854

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST IS DATED APRIL 23, 1999, BETWEEN Ross Ragland Theater, an Oregon non-profit corporation (referred to below as "Grantor"), whose address is 731 Main Street, Klamath Falls, OR 97801; and South Valley Bank and Trust (referred to below as "Lender"), whose address is P O Box 5210, Klamath Falls, OR 97801.

DEED OF TRUST. Grantor and Lender have entered into a Deed of Trust dated March 3, 1994 (the "Deed of Trust") recorded in Klamath County, State of Oregon as follows:

Original Deed of Trust Recorded on March 16, 1994, volume M94, page 7943, microfilm #77583, In the County Clerks Office of Klamath County, Oregon; Modified on February 28, 1995, volume M95, page 5241, microfilm #05934; Modified on April 25, 1996, volume M96, page 12761, microfilm #17457; Modified on April 23, 1998, volume M98, page 14855, microfilm #57490

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:

Lots 1, 2 and 7, Block 10, Original Town in the City of Klamath Falls, Oregon, and the following described strip of land off the Easterly side of Lot 3, Block 10, Original Town in the City of Klamath Falls, Oregon, to wit:

A strip of land 10.00 feet wide East and West and measured parallel with Pine Street and 90.00 feet long, measured from the Northeast corner of said Lot 3 and parallel with 7th Street and also an easement over a strip of land 6.00 feet wide and 90.00 feet long lying along and on the Westerly side of the said above-described 10.00 foot strip, the measurements as before being parallel with the streets mentioned.

Tax Account No: 3809-032AB 06200 (covers other property), 3809-032AB 06600

Excepting Therefrom the following described Parcel:

A parcel of land situated in the NW1/4 NE1/4 of Section 32, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at the Northeast corner of Lot 1, Block 10, Original Town in the City of Klamath Falls, Oregon; thence Southwesterly along the Easterly property line of said Block 10, 78.95 feet to its intersection with the Southeasterly centerline prolongation of a common wall; thence Northwesterly along said centerline 22.27 feet to an angle point in the centerline of said common wall; thence Northerly along said centerline 4.22 feet to an angle point in the centerline of a common wall; thence Northwesterly along said centerline 6.00 feet to its intersection with the centerline of a common wall; thence Northeasterly along said right-of-way line 74.10 feet to the Southwesterly right-of-way line of North 7th Street; thence Southeasterly along said right-of-way line 31.34 feet to the true point of beginning.

The Real Property or its address is commonly known as 218 N 7th, Klamath Falls, OR 97801.

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

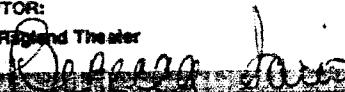
Extend the Maturity date to October 30, 1999

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:

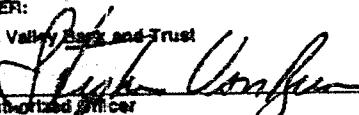
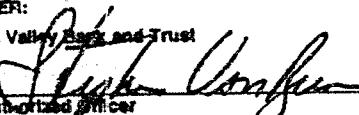
Ross Ragland Theater


X _____
Authorized Officer


X _____
Authorized Officer

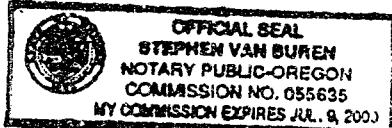
LENDER:

South Valley Bank and Trust


By: 
Authorized Officer

CORPORATE ACKNOWLEDGMENT

STATE OF Oregon)
COUNTY OF Klamath) ss



On this 23rd day of April, 1999, before me, the undersigned Notary Public, personally appeared

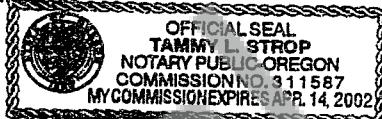
of Ross Regland Theater, and known to me to be authorized agent(s) of the corporation that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute this Modification and in fact executed the Modification on behalf of the corporation.

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) ss



On this 4th day of May, 1999, before me, the undersigned Notary Public, personally appeared Stephen Van Buren and known to me to be the Lender 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, Oregon
My commission expires April 14, 2002

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State of Oregon, County of Klamath
Recorded May 5, 1999, at 3:47 PM
at the referenced page, Vol. M99.
Linda Smith, County Clerk
Fee \$15

Linda Smith