

TLS 5/19  
RECORDATION REQUESTED BY:

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

99 MAY 20 AM 1:38

Vol. M99 Page 20109

WHEN RECORDED MAIL TO:

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

SEND TAX NOTICES TO:

Borror Enterprises, Inc. dba Custom Cabinets by James  
Borror  
2323 Wiard St  
Klamath Falls, OR 97603

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.

MTC 1396-9951

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST IS DATED MAY 18, 1999, BETWEEN Borror Enterprises, Inc. dba Custom Cabinets by James Borror, an estate in fee simple as tenants by the entirety (referred to below as "Grantor"), whose address is 2323 Wiard St, Klamath Falls, OR 97603; and South Valley Bank and 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 May 26, 1998 (the "Deed of Trust") recorded in Klamath County, State of Oregon as follows:

Recorded on June 2, 1998 at the Klamath County Clerk's Office, Volume M98, page 59058, microfilm #59058

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

The following described real property situate in Klamath County, Oregon.

Beginning at the intersection of the South line of Oregon State Highway #66 (80 feet wide) and the west line of Lot 1 in the plat of Kleismier Acre Tracts, as recorded on Sheet 176 in Drawer 8 in the office of the Recorder of Klamath County, Oregon, said plat being in Section 2, Township 39 South, Range 9 East of the Willamette Meridian; thence N. 89 degrees 43' 30" E. along the southerly right of way line of said highway, 162.5 feet to the east line of the aforementioned Lot #1, this point being S. 0 degrees 03' 30" W. 10.10 feet from the northeast corner of the said Lot #1; thence S. 0 degrees 03' 30" W. along the east line of said lot 124.90 feet; thence N. 89 degrees 53' 30" W., parallel to the north line of said Lot, 162.5 feet to the west line thereof; thence N. 0 degrees 03' 30" E., along said west line, 123.82 feet to the point of beginning.

PARCEL 2

All that portion of the NW1/4SE1/4 of Section 2, Township 39 South, Range 9 E.W.M., described as follows:

Beginning 30 feet South and 182 1/2 feet East of the center of said Section 2, being the Northeast corner of that certain tract of land deeded by P.F. Kleismier et ux to F. Jordan by Deed dated August 27, 1924 and recorded August 29, 1924 in Book 66 of Deed records of Klamath County, Oregon, at page 180 thereof; thence South at right angles to the highway and along the Easterly line of said Jordan Tract 260 feet; thence East and parallel to the highway 84 feet; thence North at right angles to the highway 260 feet to the Southerly line of the highway; thence West along the said Southerly line of highway 84 feet to the place of beginning in Klamath County, Oregon, EXCEPT THEREFROM any portion lying within the right of way of South Sixth Street as disclosed by Deed Volume 354, page 63, records of Klamath County, Oregon.

The Real Property or its address is commonly known as 2323 Wiard St, Klamath Falls, OR 97603. The Real Property tax identification number is 3909-2DB-4200-521821 & 3909-2FN-4300-521803.

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

Extend the Maturity date to May 15, 2000

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:

Borror Enterprises, Inc. dba Custom Cabinets by James Borror

By: James Borror, President

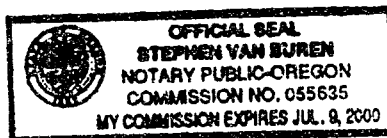
LENDER:

South Valley Bank and Trust

By: Stephen Van Buren  
Authorized Officer

CORPORATE ACKNOWLEDGMENT

STATE OF Oregon )  
COUNTY OF Klamath Falls ) ss

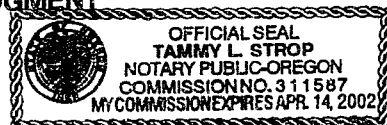


On this 19th day of May, 1999, before me, the undersigned Notary Public, personally appeared James Borror, President of Borror Enterprises, Inc. the Custom Cabinets by James Borror, and known to me to be an authorized agent of the corporation that executed the Modification of Deed of Trust and acknowledged 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 Stephen Van Buren Residing at Klamath Falls  
Notary Public in and for the State of Oregon My commission expires July 9, 2000

LENDER ACKNOWLEDGMENT

STATE OF Oregon )  
COUNTY OF Klamath ) ss



On this 19th day of May, 1999, before me, the undersigned Notary Public, personally appeared Stephen Van Buren and known to me to be the 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 Residing at 803 main St. K40. 97601  
Notary Public in and for the State of Oregon My commission expires April 14, 2002

State of Oregon, County of Klamath  
Recorded 5/20/99, at 11:38 a.m.  
In Vol. M99 Page 20109  
Linda Smith, County Clerk  
Fee \$ 15-

Linda Smith