

RECORDATION REQUESTED BY:

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

Vol M01 Page 915

WHEN RECORDED MAIL TO:

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

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

mtc 1396-2383

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated December 29, 2000, is made and executed between Elbert G Henderson and Annette M Henderson ("Grantor") and South Valley Bank & Trust, Commercial Branch, P O Box 5210, Klamath Falls, OR 97601 ("Lender").

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated August 25, 1987 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Original Trust Deed recorded on September 3, 1987, in the Klamath County Clerk's Office, Volume M87, page 15982, reception #78872; Modified on September 29, 1997 recorded on October 24, 1997, Volume M97 at page 34979, reception #47493; Modified on December 30, 1997 recorded on February 20, 1998, Volume M98 at page 5496, reception #53443; Modified on February 27, 1998 recorded on March 11, 1998, Volume M98 at page 7937, reception #54504; Modified on November 27, 1998 recorded on January 11, 1999, Volume M99 at page 734, reception #72733; Modified on June 24, 1999 recorded on July 7, 1999, Volume M99 at page 27059; Modified on October 6, 1999 recorded on October 13, 1999, Volume M99 at page 40698; Modified on May 23, 2000 recorded on May 31, 2000, Volume M00 at page 19494.

REAL PROPERTY DESCRIPTION. The Deed of Trust covers the following described real property located in Klamath County, State of Oregon:

See attached Exhibit A

The Real Property or its address is commonly known as 3007 Anderson Ave, Klamath Falls, OR 97603.

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

Extend the Maturity Date to October 10, 2000 and decrease the interest rate from SVB&T Prime plus 5.75% to SVB&T Prime plus 2.00%.

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.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF DEED OF TRUST AND GRANTOR AGREES TO ITS TERMS. THIS MODIFICATION OF DEED OF TRUST IS DATED DECEMBER 29, 2000.

GRANTOR:

x Elbert G Henderson, Individually

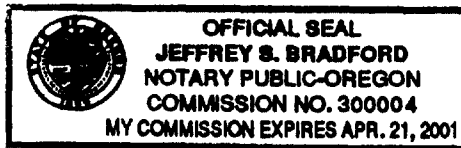
x Annette M Henderson, Individually

LENDER:

x Jeffrey S Bradford
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF OREGON)
) SS
COUNTY OF KLAMATH)



On this day before me, the undersigned Notary Public, personally appeared Elbert G Henderson and Annette M Henderson, 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 29th day of December, 20 00.

By Jeffrey S Bradford Residing at 801 Maple St ; K Falls, OR 97601
Notary Public In and for the State of Oregon My commission expires 4/21/01

LENDER ACKNOWLEDGMENT

STATE OF OREGON)
) SS
COUNTY OF KLAMATH)

On this _____ day of _____, 20____, before me, the undersigned Notary Public, personally appeared _____ 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 _____ Residing at _____
Notary Public in and for the State of _____ My commission expires _____

PARCEL 2

A portion of Tracts 6, 7, and 10 of Tracts 25 to 32, inclusive, of Altamont Ranch Tracts, Klamath County, Oregon, more particularly described as follows:

Beginning at a 5/8-inch iron pin on the Northerly right of way line of Anderson Avenue, being South 88 degrees 52' 40" East 170.42 feet from the centerline of vacated Avalon Street; thence North 02 degrees 00' 40" East along the Easterly side of chain link fence 72.80 feet to the Easterly edge of a corner post; thence North 88 degrees 52' 40" West 2.60 feet to a P-K nail set in concrete; thence North 02 degrees 00' 40" East 303.03 feet to a 5/8-inch iron pin on the Southwesterly right of way line of the Burlington Northern Railway Company tracks, said right of way being parallel to and 125 feet (measured at right angles) from the centerline of the main line of said Railway Company tracks, as now located and constructed; thence South 48 degrees 02' 10" East 286.90 feet along said right of way line to a 5/8-inch iron pin on the Westerly line of said Tract 10; thence South 00 degrees 06' 00" East along the Westerly line of said Tract 10 to a 5/8-inch iron pin, said

iron pin being on the Southwesterly right of way line of the said Railway Company tracks and being 150 feet (measured at right angles) from the centerline of the main line of said Railway Company tracks; thence South 48 degrees 02' 10" East along said Southwesterly right of way line 236.23 feet to a 5/8-inch iron pin on the Northerly right of way line of said Anderson Avenue; thence North 88 degrees 52' 40" West 399.70 feet to the point of beginning, with bearings based on record of survey No. 2031, as recorded in the office of the Klamath County Surveyor.

SAVING AND EXCEPTING that portion deeded to Great Northern Railway by deed recorded February 15, 1961, in Volume 327, page 339 and recorded July 21, 1960 in Volume 323, page 20, Deed Records of Klamath County, Oregon.

PARCEL 3

A tract of land situated in Lots 2, 3, 4, and 5 of the Re-Subdivision of Blocks 25 to 32 inclusive of ALTAMONT RANCH TRACTS,

Beginning at the Southwest corner of Lot 5 of said Re-Subdivision; thence North 135 feet along the West line of Lot 5 to the true point of beginning; thence East 170 feet; thence South 135 feet to the North line of Anderson Avenue; thence East along the North line of Anderson Avenue to the center line of Avalon Avenue; thence North along said center line to the Southerly right-of-way line of the Great Northern Railway as now located; thence Northwesterly along said right-of-way to the West line of Lot 2 of said subdivision; thence South along the West line of Lots 2, 3, 4, and 5 of said subdivision to the point of beginning, including vacated portion of Avalon Avenue West of the center line and South of Great Northern Railway's right-of-way.

SAVING AND EXCEPTING that portion deeded to Great Northern Railway by deed dated February 8, 1961, recorded February 15, 1961, in Volume 327, page 339, Deed Records of Klamath County, Oregon.


ELBERT G. HENDERSON
ANNETTE M. HENDERSON

State of Oregon, County of Klamath
Recorded 01/09/01, at 11:21 a.m.
In Vol. M01 Page 915
Linda Smith,
County Clerk Fee \$ 31.00