

RECORDATION REQUESTED BY:

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

Vol M01 Page 32748

WHEN RECORDED MAIL TO:

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

SEND TAX NOTICES TO:

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

mtc
1396-2921

MTC 1396-2234

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated June 19, 2001, is made and executed between Klamath Community Development Corporation, an Oregon Non-Profit Corporation ("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 March 1, 1996 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded May 8, 1996 in Volume M96 on Page 13134, modification recorded November 7, 2000 in Volume M00 on Page 40445, in the Office of the Klamath County Clerk.

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

Parcel 1 of Land Partition 32-95, filed for record September 25, 1995 in the Klamath County Clerks Office located in the SW 1/4 of Section 15 and the NW 1/4 of Section 22, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon

The Real Property or its address is commonly known as 6450 Swan Court, Klamath Falls, OR 97601.

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

Extend the Maturity Date to October 30, 2006 and reduce the Interest Rate from 9.50% to 7.50%.

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 endorser 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 JUNE 19, 2001.

GRANTOR:

KLAMATH COMMUNITY DEVELOPMENT CORPORATION

By: John Dey, President of Klamath Community Development Corporation

By: Neal Eberlein, Vice President of Klamath Community Development Corporation

LENDER:

X [Signature]
Authorized Officer

CORPORATE ACKNOWLEDGMENT

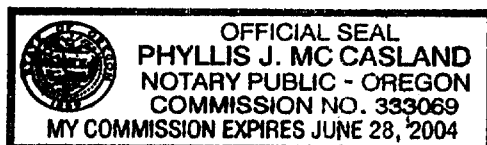
STATE OF Klamath Oregon

COUNTY OF Klamath

On this 20th day of June, 20 01, before me, the undersigned Notary Public, personally appeared John Dey, President; Neal Eberlein, Vice President of Klamath Community Development Corporation, and known to me to be authorized agents 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 Phyllis J. Mc Casland
Notary Public in and for the State of Oregon

Residing at 409 Pine Street, Klamath Falls, OR
My commission expires June 28, 2004



LENDER ACKNOWLEDGMENT

STATE OF OREGON)
) SS
COUNTY OF KLAMATH)



On this 21ST day of JUNE, 2001!!, before me, the undersigned Notary Public, personally appeared DAVE HUCKINS and known to me to be the LOAN 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 [Signature] Residing at KLAMATH FALLS, OREGON 97601
Notary Public in and for the State of OREGON My commission expires 5/11/2002

State of Oregon, County of Klamath
Recorded 07/05/01 at 3:15 P m.
In Vol. M01 Page 32748
Linda Smith,
County Clerk Fee\$ 26.00