

RECORDATION REQUESTED BY:

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

Vol M01 Page 54317

WHEN RECORDED MAIL TO:

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

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

SEND TAX NOTICES TO:

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

mtc 1376-3273

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated October 17, 2001, is made and executed between John E Johnson and Deborah A Johnson as Tenants by the Entirety ("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 July 28, 1999 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded on August 13, 1999 in Volume M99, Page 32752, in the office of the County Clerk, Klamath County, Oregon. Modified on August 22, 2000. Recorded on August 24, 2000 in Volume M00, Page 30997, in the office of the County Clerk, Klamath County, Oregon.

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

See Exhibit "A", which is attached to this Modification and made a part of this Modification as if fully set forth herein.

The Real Property or its address is commonly known as 10727 Washburn Way, Klamath Falls, OR 97601.

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

To extend the Maturity Date to December 01, 2001.

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 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 OCTOBER 17, 2001.

GRANTOR:

[Signature]
John E Johnson, Individually

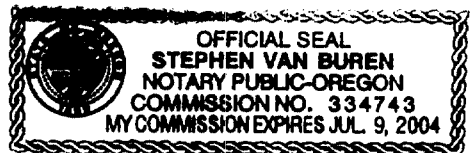
[Signature]
Deborah A Johnson, Individually

LENDER:

x [Signature]
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon)
) SS
COUNTY OF Klamath)

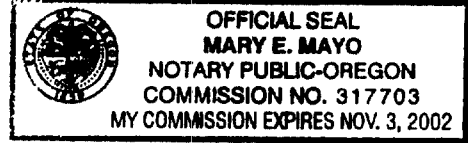


On this day before me, the undersigned Notary Public, personally appeared John E Johnson and Debora A Johnson, to me known to be the individuals described in and who executed the Modification of Deed of Trust, and acknowledged that they signed the Modification as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 23rd day of October, 2001.
By [Signature] Residing at Klamath Falls
Notary Public in and for the State of Oregon My commission expires July 9, 2004

LENDER ACKNOWLEDGMENT

STATE OF OREGON)
) SS
COUNTY OF KLAMATH)



On this 24 day of OCTOBER, 2001, before me, the undersigned Notary Public, personally appeared STEPHEN VAN BIJREN 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 Mary E. Mayo Residing at KLAMATH FALLS
Notary Public in and for the State of OREGON My commission expires NOVEMBER 03, 2002

Unofficial Copy

located in Klamath County, State of Oregon (the "Real Property"):

A portion of Tract 1358, situated in the W1/2 SW1/4 of Section 34, and the E1/2 SE1/4 of Section 33, T39S, R9EWM, Klamath County, Oregon, being more particularly described as follows:

Beginning at the initial point as marked by a 2" x 30" galvanized iron pipe with hub and tack and O.L. 2442 washer, from which the section corner common to Sections 33 and 34 bears N 89 degrees 54' 58" E 371.65 feet, S 00 degrees 10' 55" E 877.97 feet and S 84 degrees 33' 41" E 321.46 feet; thence N 89 degrees 54' 58" E 371.65 feet; thence S 00 degrees 10' 55" E 877.97 feet to the Northerly right of way line of Midland Road; thence along the right of way line of Midland Road S 89 degrees 54' 58" W 320.0 feet to a point on the section line common to Sections 33 and 34, S 89 degrees 57' 30" W 260.78 feet to the Easterly right of way line of Washburn Way; thence along said Easterly right of way line N 0 degrees 10' 55" W 410.01 feet, along the arc of a curve to the right (radius equals 542.96 feet and central angle equals 36 degrees 38' 00") 347.15 feet N 36 degrees 27' 05" E 108.01 feet, along the arc of a curve to the left (radius equals 602.96 feet and central angle equals 06 degrees 27' 49") 68.02 feet to the point of beginning containing 10.95 acres more or less.

The Real Property or its address is commonly known as 2633 Old Midland Rd, Klamath Falls, OR 97603.

State of Oregon, County of Klamath
Recorded 10/25/01 at 11:52 a.m.
In Vol. M01 Page 54317
Linda Smith,
County Clerk Fee \$ 3.00