

RECORDATION REQUESTED BY:

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

Vol M02 Page 4816

WHEN RECORDED MAIL TO:

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

State of Oregon, County of Klamath
Recorded 01/24/2002 3:15 p m.
Vol M02, Pg 4816-4818
Linda Smith, County Clerk
Fee \$ 31.00 # of Pgs 3

SEND TAX NOTICES TO:

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

mtc 47856

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated December 21, 2001, is made and executed between Ross Ragland Theater; a Non Profit Organization ("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 April 21, 1999 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Line of Credit Deed of Trust recorded in Volume M99 at page 17312, Modified on May 23, 2000 in Volume M00 at page 19609 and on March 27, 2001 in Volume M01 at page 13542 in the office of the County Clerk of Klamath County, Oregon.

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

See attached Exhibit "A" Legal Description

The Real Property or its address is commonly known as 218 N. 7th Street, Klamath Falls, OR 97601. The Real Property tax identification number is 3809-032AB-06600

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

Increase line amount from \$175,000.00 to \$225,000.00.

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 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 DECEMBER 21, 2001.

GRANTOR:

ROSS RAGLAND THEATER

By: Joseph S. McBride
Joseph S. McBride, Chairperson of Ross Ragland Theater

By: William E. Castle
William E. Castle, Secretary of Ross Ragland Theater

By: Bernard L. Simonsen
Bernard L. Simonsen, Vice Chairperson of Ross Ragland Theater

By: Sharon L. Parks
Sharon L. Parks, Treasurer of Ross Ragland Theater

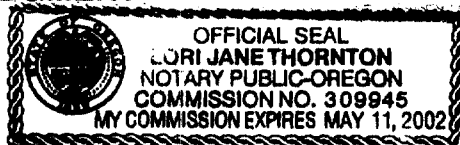
LENDER:

X [Signature]
Authorized Officer

CORPORATE ACKNOWLEDGMENT

STATE OF Oregon

COUNTY OF Klamath



On this 23rd day of JANUARY, 20 02, before me, the undersigned Notary Public, personally appeared Joseph S. McBride, Chairperson; Bernard L. Simonsen, Vice Chairperson; William E. Castle, Secretary; Sharon L. Parks, Treasurer of Ross Ragland Theater, 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 [Signature]
Notary Public in and for the State of OREGON

Residing at Klamath Falls Oregon 97601
My commission expires 5-11-2002

LENDER ACKNOWLEDGMENT

STATE OF Oregon)
COUNTY OF Klamath) SS



On this 23rd day of JANUARY, 2002, before me, the undersigned Notary Public, personally appeared KATH GLICK 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

EXHIBIT "A"
LEGAL DESCRIPTION

Lot 8 in Block 10 of the Original Town of Klamath Falls, formerly Linkville, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

AND

Lots 1, 2 and 7, Block 10, ORIGINAL TOWN OF LINKVILLE 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 5.00 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.

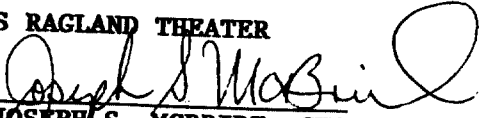
EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCEL:

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:

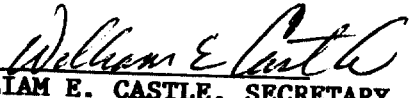
Beginning at the Northeast corner of Lot 1, Block 10, ORIGINAL TOWN in the City of Klamath Falls, Oregon; thence Southwesterly along the Easterly property line of said Block 10, 76.95 feet to its intersection with the Southeasterly centerline prolongation of a common wall; thence Northwesterly along 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 said common wall; thence Northwesterly along said centerline 6.00 feet to its intersection with the centerline of a common wall; thence Northeasterly along said centerline 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.

ROSS RAGLAND THEATER

BY:


JOSEPH S. MCBRIDE, CHAIRPERSON
OF ROSS RAGLAND THEATER

BY:


WILLIAM E. CASTLE, SECRETARY
OF ROSS RAGLAND THEATER

BY:


BERNARD L. SIMONSON, VICE CHAIRPERSON
OF ROSS RAGLAND THEATER

BY:


SHARON L. PARKS, TREASURER
OF ROSS RAGLAND THEATER