

RECORDATION REQUESTED BY:

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

Vol M03 Page 11909

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 02/27/2003 9:16a m.
Vol M03 Pg 11909-12
Linda Smith, County Clerk
Fee \$ 36.00 # of Pgs 4

SEND TAX NOTICES TO:

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

MTC 1396-4116

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated February 24, 2003, is made and executed between John E. Johnson and Debora 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 December 21, 1993 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded December 22, 1993, Vol. M93, Page 34408.

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 Klamath Falls, OR 97601.

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

Extend maturity date to February 28, 2004.

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 FEBRUARY 24, 2003.

GRANTOR:

X John E Johnson, Individually X Debora A Johnson, Individually

LENDER:

X Stephen Van Buren
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF

Oregon

COUNTY OF

Klamath

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) SS
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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 25th

day of February, 20 03.

By Stephen Van Buren

Residing at Klamath Falls

Notary Public in and for the State of Oregon

My commission expires July 9, 2004

LENDER ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

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 _____

11911

EXHIBIT "B"
LEGAL DESCRIPTION

PARCEL 1

A parcel of land situated in the SW1/4 of Section 34, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point on the North right of way line of Midland Road from which the Southwest corner of said Section 34 bears the following two bearings and distances: South 89 degrees 54' 58" West 117.00 feet, South 00 degrees 10' 55" East 30.00 feet; thence from said point of beginning North 89 degrees 54' 58" East along the North right of way of said Midland Road 203.00 feet; thence North 00 degrees 10' 55" West 429.16 feet to a 5/8" iron pin; thence South 89 degrees 54' 58" West 203.00 feet to a 5/8" iron pin; thence South 00 degrees 10' 55" East 429.16 feet to the point of beginning.

PARCEL 2

A parcel of land situated in the SW1/4 of Section 34 and the SE1/4 of Section 33, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a 5/8" iron pin on the Easterly right of way line of Washburn Way from which the SW corner of said Section 34 bears the following two bearings and distances: South 89 degrees 54' 58" West 30.00 feet, South 00 degrees 10' 55" East 1330.37 feet, more or less, thence from said point of beginning North 89 degrees 54' 58" East 290.00 feet to a 5/8" iron pin; thence South 00 degrees 10' 55" East 422.40 feet; thence South 89 degrees 54' 58" West 371.52 feet to a point on the Easterly right of way line of said Washburn Way, said point also being on a 602.96 feet radius curve, from which the radius point bears North 60 degrees 02' 32" West 602.96 feet; thence along the Easterly right of way line of said Washburn Way and along the arc of a 602.96 feet radius curve to the left (Delta = 30 degrees 08' 23", Long Chord = North 14 degrees 53' 16" East 313.53 feet) 317.18 feet to a 5/8" iron pin; thence continuing along the Easterly right of way line of said Washburn Way North 00 degrees 10' 55" West 119.51 feet to the point of beginning.

- Continued -

PARCEL 3

A parcel of land situated in the SW1/4 of Section 34 and the SE1/4 of Section 33, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point on the East line of said Section 33 and the Northerly right of way line of Midland Road, from which the Southeast corner of said Section 33 bears South 00 degrees 10' 55" East 30.00 feet, thence from said point of beginning South 89 degrees 57' 30" West along the Northerly right of way line of said Midland Road 260.80 feet to the Easterly right of way line of Washburn Way, thence Northerly along the Easterly right of way line of said Washburn Way the following five bearings and distances: North 00 degrees 10' 55" West 409.74 feet; thence along the arc of a 542.96 feet radius curve to the right (Delta = 36 degrees 38' 00", Chord = North 18 degrees 08' 05" East 341.27 feet) 347.15 feet, thence North 36 degrees 27' 05" East 108.01 feet to a 5/8" iron pin, thence along the arc of a 602.96 feet radius curve to the left (Delta = 36 degrees 38' 00", Chord = North 18 degrees 08' 05" East 378.98 feet) 385.52 feet to a 5/8" iron pin, thence North 00 degrees 10' 55" West 119.51 feet to a 5/8" iron pin, thence leaving said Easterly right of way line of said Washburn Way North 89 degrees 54' 58" East 290.00 feet to a 5/8" iron pin, thence South 00 degrees 10' 55" East 871.21 feet to a 5/8" iron pin, thence South 89 degrees 54' 58" West 203.00 feet to a 5/8" iron pin, thence South 00 degrees 10' 55" East 429.16 feet to the Northerly right of way line of Midland Road, thence South 89 degrees 54' 58" West along the Northerly right of way line of said Midland Road 117.00 feet to the point of beginning.

EXCEPTING THEREFROM the following described parcel of land:

A parcel of land situated in the SW1/4 of Section 34 and the SE1/4 of Section 33, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a 5/8" iron pin on the Easterly right of way line of Washburn Way from which the SW corner of said Section 34 bears the following two bearings and distances: South 89 degrees 54' 58" West 30.00 feet, South 00 degrees 10' 55" East 1330.37 feet more or less, thence from said point of beginning North 89 degrees 54' 48" East 290.00 feet to a 5/8" iron pin, thence South 00 degrees 10' 55" East 422.40 feet, thence South 89 degrees 54' 58" West 371.52 feet to a point on the Easterly right of way line of said Washburn Way, said point also being on a 602.96 feet radius curve, from which the radius point bears North 60 degrees 02' 32" West 602.96 feet, thence along the Easterly right of way line of said Washburn Way and along the arc of a 602.96 feet radius curve to the left (Delta = 30 degrees 08' 23", Long Chord = North 14 degrees 53' 16" East 313.53 feet), 317.18 feet to a 5/8" iron pin, thence continuing along the Easterly right of way line of said Washburn Way, North 00 degrees 10' 55" West 119.51 feet to the point of beginning.

John E. Johnson

Deborah A. Johnson