

RECORDATION REQUESTED BY:

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

Vol M03 Page 11916

State of Oregon, County of Klamath
Recorded 02/27/2003 9:17 a m.
Vol M03 Pg 11916-18
Linda Smith, County Clerk
Fee \$ 4.00 # of Pgs 3

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

MTL 1396-4718

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 July 28, 1999 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded on August 13, 1999, Volume M99, Page 32752, Modified on August 22, 2000, Recorded on August 24, 2000, Volume M00 Page 30997, Modified on October 17, 2001, Recorded on October 25, 2001, Volume M01 Page 54317.

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 97603.

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

Term out Line of Credit and extended Maturity date to February 15, 2008.

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 FEBRUARY 24, 2003.

GRANTOR:

x [Signature]
John E Johnson, Individually

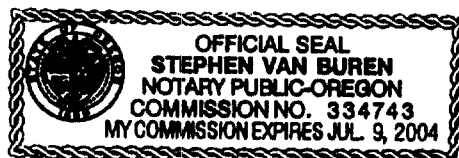
x [Signature]
Debora A Johnson, Individually

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 25th day of February, 20 03.

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 _____)
) 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 _____

**LEGAL DESCRIPTION
EXHIBIT "A"**

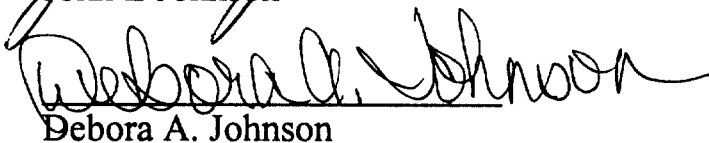
11918

Tract 1358 situated in the W1/2 SW1/4 of Section 34, and the E1/2 SE1/4 of Section 33, Township 39 South Range 9 East of the Willamette Meridian, 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.S. 2442 Washer, from which the section corner common to Sections 33 and 34 bears North 89 degrees 54' 58" East 371.65 Feet, South 00 degrees 10' 55" East 877.97 feet and South 84 degrees 33' 41" East 321.46 Feet; thence North 89 degrees 54' 58" East 371.65 feet; thence South 00 degrees 10' 55" East 877.97 feet to the Northerly right of way line of Midland Road; thence along the right of way line of Midland Road South 89 degrees 54' 58" West 320.00 feet to point of the section line common to Sections 33 and 34, South 89 degrees 57' 30" West 260.78 feet to the easterly right of way line of Washburn Way: thence along said Easterly right of way line North 00 degrees 10' 55" West 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 North 36 degrees 27' 05" East 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; that I made such survey by order of and under the direction of the owners thereof: that the size of all lots and the width of all streets are as shown on the annexed map, and that all lot corners and angle points are marked with iron pins and wooden witness stakes.



John E Johnson



Debora A. Johnson