

NJC-1396-5454

RECORDATION REQUESTED BY:

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

Vol M03 Page 81621

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 11/03/03 11:12 AM  
Vol M03 Pg 81621-23  
Linda Smith, County Clerk  
Fee \$ 41.00 # of Pgs 3

SEND TAX NOTICES TO:

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

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated October 14, 2003, is made and executed between Hosanna Christian School, Inc.; 5000 Hosanna Way ; Klamath Falls , OR 97603 ("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 18, 2001 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded on May 07, 2001 in Volume M01, Page 20820 in the office of the County Clerk of Klamath County, Oregon, Modified on April 01, 2002 Recorded on April 26, 2002 in Volume M02, Page 24888-90 in the office of the County Clerk of Klamath County, Oregon, Modified on April 22, 2003 Recorded on April 24, 2003 Volume M03, Page 28448-49.

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 5000 Hosanna Way , Klamath Falls , OR 97603. The Real Property tax identification number is 3909-014BA-00100-000/3909-014BD-00200-000

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

Change from a Construction Line of Credit to a Term Loan for 24 months of monthly interest payments and a annual principal reduction of \$50,000.00 on first year anniversary with balance of principal and interest due at maturity, change rate to 1.5% over prime floored at 5.5% fixed and adjusted annual, and extend maturity date to September 30, 2006.

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 OCTOBER 14, 2003.

GRANTOR:

HOSANNA CHRISTIAN SCHOOL, INC.

By: Ron Barnes  
Ron Barnes, Chairman of Hosanna Christian School, Inc.

By: David C Loer  
David C Loer, Vice Chairman of Hosanna Christian School, Inc.

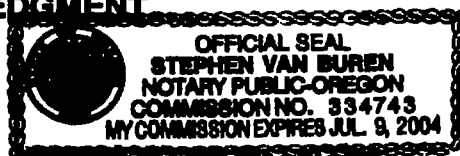
LENDER:

x Stephen Van Buren  
Authorized Officer

CORPORATE ACKNOWLEDGMENT

STATE OF Oregon

COUNTY OF Klamath



On this 14th day of October, 20 03, before me, the undersigned Notary Public, personally appeared Ron Barnes, Chairman and David C Loer, Vice Chairman of Hosanna Christian School, Inc., 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 Stephen Van Buren  
Notary Public in and for the State of Oregon

Residing at Klamath Falls  
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 \_\_\_\_\_

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

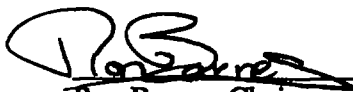
That portion of the NE1/4 NW1/4 and the SE1/4 of the NW1/4 lying Southeast of the U.S.B.R. A-3 Lateral Canal Section 14, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

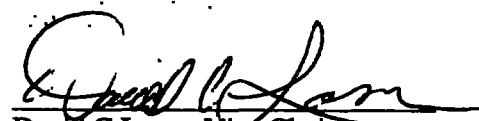
EXCEPTING THEREFROM that portion lying within the SE1/4 of the NW1/4 and NE1/4 NW1/4 described as follows:

A tract of land situated in the NE1/4 NW1/4, SE1/4 NW1/4, SW1/4 NE1/4 Section 14, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point marking the Southwest corner of Block 6, Tract 1035, GATEWOOD, a duly recorded subdivision, said point being North 00 degrees 14' 05" West 30.00 feet from the center 1/16 corner of said Section 14; thence North 89 degrees 58' 56" West parallel to and 30 feet Northerly of the Southerly line of the NE1/4 NW1/4, said Section 14, 484.88 feet; thence South 00 degrees 01' 04" East 358.74 feet; thence South 30 degrees 55' 12" East 324.33 feet; thence South 01 degrees 44' 41" East 428.54 feet; thence North 88 degrees 15' 19" East 20.00 feet; thence South 01 degrees 44' 41" East 170.00 feet to the Northerly right of way line of the 1-C-7 U.S.B.R. drain; thence along said right of way line, North 88 degrees 15' 19" East 120.00 feet to the centerline of Glenwood Drive extended Northerly, continuing along said right of way line, North 88 degrees 15' 19" East 540.01 feet, North 10 degrees 46' 25" East 1175.49 feet, North 01 degrees 17' 15" West 29.44 feet to the Northerly line of the SW1/4 NE1/4, said Section 14; thence leaving said right of way line, North 89 degrees 58' 56" West 598.53 feet to the center 1/16 corner of said Section 14; thence North 00 degrees 14' 05" West 30.00 feet to the point of beginning, with bearings based on said Tract 1035, Gatewood.

AND EXCEPTING THEREFROM all that portion thereof lying within the SE1/4 NW1/4

  
Ron Barnes, Chairman  
of Hosanna School, Inc

  
David C Loser, Vice Chairman  
of Hosanna School, Inc