

RECORDATION REQUESTED BY:

South Valley State Bank
5215 South Sixth Street
Klamath Falls, OR 97603

WHEN RECORDED MAIL TO:

South Valley State Bank
5215 South Sixth Street
Klamath Falls, OR 97603

SEND TAX NOTICES TO:

South Valley State Bank
5215 South Sixth Street
Klamath Falls, OR 97603

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST IS DATED MARCH 27, 1996, BETWEEN Lon E Baile, Nancy L Baile, Mark R Trotman and Dawn M Trotman, Vested as: Lon E Baile and Nancy L Baile, husband and wife, as Joint Tenants as to an undivided 1/2 Interest, and Mark R Trotman and Dawn M Trotman, husband and wife, as Joint Tenants as to an undivided 1/2 Interest, (referred to below as "Trustor"), whose address is P O Box 531, Merrill, OR 97633; and South Valley State Bank (referred to below as "Lender"), whose address is 5215 South Sixth Street, Klamath Falls, OR 97603.

DEED OF TRUST. Trustor and Lender have entered into a Deed of Trust dated May 13, 1994 (the "Deed of Trust") recorded in SISKIYOU County, State of California as follows:

Recorded in the Official records of Siskiyou County, CA., on June 10, 1994 #94008148

REAL PROPERTY DESCRIPTION. The Deed of Trust covers the following described real property (the "Real Property") recorded in SISKIYOU County, State of California:

All that Real Property situate in the County of Siskiyou, State of California, described as follows:

PARCEL 1

Farm Unit "D" according to the Farm Unit plat, or the Northwest quarter of the Northwest quarter and the North 1/2 of the Southwest quarter of the Northwest quarter of Section 24, Township 48 North, Range 4 East, Mount Diablo.

PARCEL 2

Farm Unit "E" according to the Farm Unit plat or the Northwest quarter of the Southwest quarter and the South 1/2 of the Southwest quarter of the Northwest quarter of the Northwest quarter of Section 24, Township 48 North, Range 4 East, Mount Diablo Meridian.

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

Reduce interest rate by 1/2% point, and extend maturity date to January 28, 1997.

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.

EACH TRUSTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF DEED OF TRUST, AND EACH TRUSTOR AGREES TO ITS TERMS.

TRUSTOR

x Lon E Baile
21000110
Lon E Baile

x Nancy L Baile
Nancy L Baile

x Mark R Trotman
Mark R Trotman

x Dawn M Trotman
Dawn M Trotman

LENDER:

South Valley State Bank

By: Hal Sturgeon
Authorized Officer



NOTARY PUBLIC, SISKIYOU COUNTY, CALIFORNIA
My Comm. Expires 03-31-1998
I hereby certify that the foregoing is a true and correct copy of the original as presented to me for recording.

COUNTY OF SISKIYOU
DIVISION OF RECORDS

CERTIFICATE OF ACKNOWLEDGMENT

FORM NO 203012
03-31-1998

(continued)

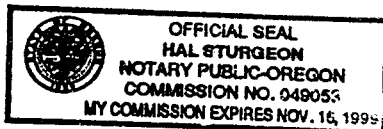
MODIFICATION OF DEED OF TRUST

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF Oregon)
COUNTY OF Clatsop) ss

On MARCH 27 1976, before me, Hal Stanger,
personally appeared Lon E Bailey, Nancy L Bailey, Mark R Trotman and Dawn M Trotman, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Signature

Hal Thayer

4206517 1000000

(Seal)

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of South Valley State Bank the 3rd day
of April A.D., 1996 at 9:26 o'clock AM., and duly recorded in Vol. M96
of Mortgages on Page 9334

FEE \$15.00

Bernetha G. Letsch, County Clerk

By

Christy Hassel

be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies); and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

Signature

(Seal)

[illegible]

MODIFICATION OF DEED OF TRUST

SEND TAX NOTICES TO:

WHEN RECORDED WITH 10:

RECOGNITION REQUESTED BY: