

RECORDATION REQUESTED BY:

South Valley State Bank
801 Main Street
Klamath Falls, OR 97601

96 OCT -2 A11:19

- WHEN RECORDED MAIL TO:

South Valley State Bank
801 Main Street
Klamath Falls, OR 97601

SEND TAX NOTICES TO:

Garter Enterprises, Inc.
2636 Biehn Street
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 IS DATED SEPTEMBER 19, 1996, BETWEEN Garter Enterprises, Inc. (referred to below as "Grantor"), whose address is 2636 Biehn Street, Klamath Falls, OR 97601; and South Valley State Bank (referred to below as "Lender"), whose address is 801 Main Street, Klamath Falls, OR 97601.

DEED OF TRUST. Grantor and Lender have entered into a Deed of Trust dated February 27, 1996 (the "Deed of Trust") recorded in Klamath County, State of Oregon as follows:

Recorded in the office of the Klamath County Clerk, March 7, 1996, Volume M96, Page 6241, Reception Number 14402

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

A portion of the SW 1/4 SW 1/4 of Section 20, Township 33 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

The Real Property or its address is commonly known as 2636 Biehn Street, Klamath Falls, OR 97601.

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

Extend the maturity date to December 30, 1996, or upon receipt of insurance settlement, whichever is earlier.

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

GRANTOR:

Garter Enterprises, Inc.

By: [Signature]
Quin Million

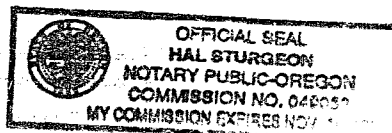
LENDER:

South Valley State Bank

By: [Signature]
Authorized Officer

CORPORATE ACKNOWLEDGMENT

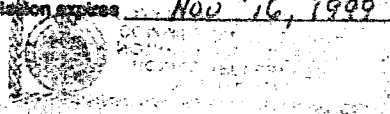
STATE OF Oregon)
COUNTY OF Klamath) ss



On this 20th day of September, 1996, before me, the undersigned Notary Public, personally appeared Quin Million of Garter Enterprises, Inc., and known to me to be an authorized agent 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 he or she is 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
My commission expires Nov 16, 1999



RECEIVED FOR RECORDATION

FORM NO. 00500

08-10-1999

(ORIGINAL)

MODIFICATION OF DEED OF TRUST

6/15

