

RECORDATION REQUESTED BY:

South Valley Bank and Trust
803 Main Street
5215 South Sixth St.
Klamath Falls, OR 97603

96 DEC 30 AID 51

WHEN RECORDED MAIL TO:

South Valley Bank and Trust
803 Main Street
5215 South Sixth St.
Klamath Falls, OR 97603

SEND TAX NOTICES TO:

South Valley Bank and Trust
803 Main Street
5215 South Sixth St.
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 DECEMBER 19, 1996, BETWEEN Timm Burr Inc., an Oregon Corporation (referred to below as "Grantor"), whose address is 325 Main St, Klamath Falls, OR 97601; and South Valley Bank and Trust (referred to below as "Lender"), whose address is 803 Main Street, 5215 South Sixth St., Klamath Falls, OR 97603.

DEED OF TRUST. Grantor and Lender have entered into a Deed of Trust dated June 3, 1996 (the "Deed of Trust") recorded in Klamath County, State of Oregon as follows:

Volume 1256, page 30049, reception #23522, recorded on September 23 1996 in the Clerk's office of Klamath County, Oregon.

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

(See attached Exhibit A)

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

Extend the maturity date to February 15, 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 GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF DEED OF TRUST, AND EACH GRANTOR AGREES TO ITS TERMS.

GRANTOR:

Timm Burr Inc.

By: [Signature]
Randy L. Shaw, President

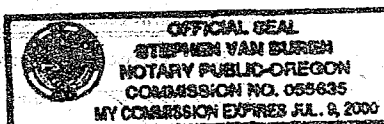
LENDER:

South Valley Bank and Trust

By: [Signature]
Authorized Officer

CORPORATE ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Klamath



On this 29th day of December, 1996, before me, the undersigned Notary Public, personally appeared Randy L. Shaw, President, of Timm Burr 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 July 9, 2000

LENDER ACKNOWLEDGMENT

FORM NO. 1000-0000
10-10-1999

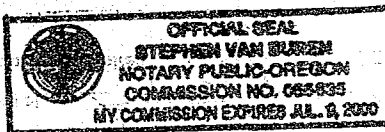
MODIFICATION OF DEED OF TRUST

30561

PAGE 5

LENDER ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Klamath



On this 24th day of December, 1996, before me, the undersigned Notary Public, personally appeared John F. Doty and known to me to be the Loan Officer, 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 Stephen Van Buren Residing at Klamath Falls
Notary Public in and for the State of Oregon My commission expires July 2, 2000

LASER PRO, Reg. U.S. Pat. & T.M. Off., Ver. 3.22b (c) 1996 CFI ProServices, Inc. All rights reserved. [CR-02273, 22, TIME 21, 11, 02, 01]

COBBLESTONE ACKNOWLEDGMENT

NOTARIAL PUBLIC
BY Stephen Van Buren
Notary Public - Oregon
Commission No. 065835
My Commission Expires Jul. 2, 2000

COBBLESTONE ACKNOWLEDGMENT

Each execution of this instrument is hereby acknowledged by the undersigned 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.

EXPIRING THE NINTH DAY OF FEBRUARY 1997

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST IS HEREBY ACKNOWLEDGED BY THE UNDERSIGNED 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.

MODIFICATION OF DEED OF TRUST

NOTARIAL PUBLIC
BY Stephen Van Buren
Notary Public - Oregon
Commission No. 065835
My Commission Expires Jul. 2, 2000

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST IS HEREBY ACKNOWLEDGED BY THE UNDERSIGNED 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.

EXHIBIT A

GRANT PROPERTY

THE S1/2 OF THE NE1/4 OF THE NW1/4 OF THE NE1/4 OF SECTION 28, TOWNSHIP 34 SOUTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON.

TOGETHER WITH AN EASEMENT 30 FEET IN WIDTH AND BEING 15 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTER LINE:

BEGINNING AT THE INTERSECTION OF SAID CENTER LINE AND THE WEST RIGHT OF WAY LINE OF U.S. HIGHWAY 97, SAID CENTER LINE BEING 15 FEET NORTH OF THE SOUTHERLY LINE OF THE N1/2 S1/2 NE1/4 NE1/4; THENCE FROM POINT OF BEGINNING WEST TO A POINT 15 FEET EAST OF THE WESTERLY LINE OF THE N1/2 S1/2 NE1/4 NE1/4; THENCE NORTH 660 FEET TO A POINT THAT IS 15 FEET NORTH OF THE SOUTHERLY LINE OF THE N1/2 N1/2 NE1/4 NE1/4; THENCE WEST 690 FEET; THENCE SOUTH 15 FEET TO THE NORTHERLY LINE OF THE S1/2 NW1/4 NW1/4 NE1/4, SECTION 28, TOWNSHIP 34 SOUTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON.

K.C. REPO 9

LOT 9, BLOCK 7, CHILOQUIN DRIVE ADDITION TO THE CITY OF CHILOQUIN, KLAMATH COUNTY, OREGON.

Andy L. Shaw
12/24/96

STATE OF OREGON : COUNTY OF KLAMATH: ss.

Filed for record at request of South Valley Bank the 30th day
of December A.D., 1996 at 10:51 o'clock A. M., and duly recorded in Vol. M96
of Mortgages on Page 40242

Bernetha G. Letsch, County Clerk

FEE \$20.00

by Kathleen Ross