

RECORDATION REQUESTED BY:

97 MAY 22 1997

South Valley Bank & Trust
P O Box 6210
Klamath Falls, OR 97601

WHEN RECORDED MAIL TO:

South Valley Bank & Trust
P O Box 6210
Klamath Falls, OR 97601

SEND TAX NOTICES TO:

Timma Burr, Inc.
12952 Crystal Springs Rd
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 MAY 14, 1997, BETWEEN Timma Burr, Inc., an Oregon Corporation (referred to below as "Grantor"), whose address is 12952 Crystal Springs Rd, Klamath Falls, OR 97603; and South Valley Bank & Trust (referred to below as "Lender"), whose address is P O Box 6210, Klamath Falls, OR 97601.

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:

Recorded in the office of the County Clerk of Klamath County Oregon, Volume 186, page 18985, Reception #26465.

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

The Real Property or its address is commonly known as see attached Exhibit A, Klamath Falls, OR 97603.

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

The maturity of the Note has been extended to October 31, 1997. In addition, the Deed of Trust secures Note #302992 in the amount of \$13,486.32 dated May 14, 1997, and maturing on May 10, 2002.

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:

Timma Burr, Inc.

By: Randy L. Shaw (Pres)
Randy L. Shaw, President

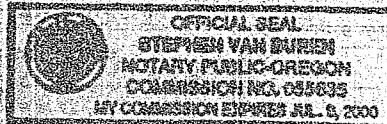
LENDER:

South Valley Bank & Trust

By: Stephen Van Buren
Authorized Officer

CORPORATE ACKNOWLEDGMENT

STATE OF Oregon
COUNTY OF Klamath



On this 16th day of May, 1997, before me, the undersigned Notary Public, personally appeared Randy L. Shaw, President of Timma 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 true 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: Stephen Van Buren
Notary Public in and for the State of Oregon

Residing at Klamath Falls, Or.
My commission expires July 5, 2000

FEDERAL ACKNOWLEDGMENT

FILED MAY 20 1997
12-11-1997

MODIFICATION OF DEED OF TRUST

12952

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 650 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. REF0.9

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

STATE OF OREGON - COUNTY OF KLAMATH ss.

Filed for record at request of South Valley Bank the 22nd day
of May A.D., 19 97 at 2:06 o'clock P. M., and duly recorded in Vol. M97
of Mortgages on Page 15719

FEE \$20.00

Bernetha G. Letsch, County Clerk
by Kathleen R. [Signature]