

RECORDATION REQUESTED BY

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:

Timm 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 Timm 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 April 22, 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 M25, page 11454, Reception #16923

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 #302592 in the amount of \$13,486.32 dated May 14, 1997, and maturing on May 15, 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 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.

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:

Randy L. Shaw, President

LENDER:

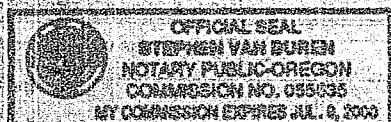
South Valley Bank & Trust

By:

Stephen Van Buren
Authorized Officer

CORPORATE ACKNOWLEDGMENT

STATE OF Oregon
NOTARY PUBLIC STAMP NO. 155
COUNTY OF Klamath Falls



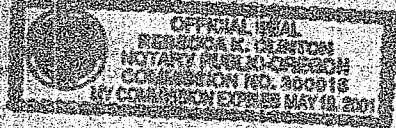
On this 14 day of May, 1997, before me, the undersigned Notary Public, personally appeared Randy L. Shaw, President of Timm Burr, Inc., and known to me to be an authorized agent in the corporation that executed the Modification of Deed of Trust and acknowledged this Modification to be the free and voluntary act and deed of the corporation, by authority of its Board of Directors, 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
My Commission No. 055103 Exp. July 2, 2000

LENDER ACKNOWLEDGMENT

STATE OF OREGON

NOTARIAL ACT NOTARIAL ACT NOTARIAL ACT NOTARIAL ACT NOTARIAL ACT

COUNTY OF KIATATH

On this 21st day of MAY, 1997 before me, the undersigned Notary Public, personally appeared STEPHEN TAN MURKIN and known to me to be the 1104 N. OSFIER, 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 Tan Murkin

Notary Public in and for the State of OREGON

Commission No. 1104 N. OSFIER

My commission expires 5/18/11

LASER PRO, Inc. U.S. Pat. & T.M. Off. / Ver. 3.23 (1) 15W CPI Preserves, Inc. All rights reserved 1145-18202 NEW YORK NY CT USA

Robleto

The West 517.5 feet of the East 1035 feet of Lot 2, Block 8, Klamath Falls Forest Estates-Sycan Unit, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon. Also described as Lot 2C, Block 8, Sycan Unit.

Calcasino

The Southerly 415 feet of the Easterly 1035 feet of Lot 10, Block 7, Klamath Falls Forest Estates-Sycan Unit, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Cleft

The Southerly 415 feet of the Easterly 1035 feet of Lot 10, Block 7, Klamath Falls Forest Estates-Sycan Unit, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Alexson

The West 850 feet of Lot 9 in Block 17, Excepting the North 400 feet Klamath Falls Forest Estates-Sycan Unit, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Kuykendall

The S1/2E1/2 of Lot 12, Block 6, Klamath Falls Forest Estates-Sycan Unit, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon. Also known as Lot 12C Block 6.

Burns

N1/2E1/2 of lot 2 in Block 12 Klamath Falls Forest Estates-Sycan Unit, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Wilson

The S1/2NW1/4SW1/4NW1/4 of Section 2, Township 37 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

Exhibit A
Page 2 of 3

Wellington

NE 1/4NW1/4 of Section 29, Township 35 South, Range 11 East of the Willamette Meridian
Klamath County, Oregon.

Thompson

The S1/2SW1/4SE1/4NW1/4 of Section 2, Township 37 South, Range 11 East of the Willamette
Meridian, Klamath County, Oregon.

McCoy

The E1/2NE1/4NH1/4SW1/4 of Section 31, Township 35 South, Range 11 East of the
Willamette Meridian, Klamath County, Oregon.

Inglis

The N1/2NE1/4SE1/4NW1/4 of Section 2, Township 37 South, Range 11 East of the Willamette
Meridian, Klamath County, Oregon.

Chandra

The NE1/4 of Government Lot 4, Section 2, Township 37 South, Range 11 East of the
Willamette Meridian, Klamath County, Oregon.

Riley

Parcel 2: Lots 20 and 21 in Block 8, Klamath Falls Forest Estates Highway 66 Unit Plat No. 1,
according to the official plat thereof on file in the office of the County Clerk of Klamath County,
Oregon. (Riley)

Parcel 9: The E1/2W1/2SE1/4SW1/4 and the W1/2NW1/4SE1/4SW1/4 in Section 6, Township
41 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon. (Missionary
Baptist Church)

The E1/2SE1/4SW1/4 in Section 6, Township 41 South, Range 8 East of the Willamette
Meridian, Klamath County, Oregon. (Missionary Baptist Church)

Exhibit A
Page 3 of 3

Garrison

The E1/2NE1/4SW1/4 of Section 31, Township 35 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

EXCEPTING THEREFROM, The E1/2NE1/4SE1/4SW1/4 in Section 31, Township 35 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

~~Parcel 3: S1/2NE1/4SW1/4, N1/2SE1/4SE1/4SW1/4 of Section 19, Township 35 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.~~

Petris

The W1/2SW1/4SE1/4 of Section 19, Township 35 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

Howell

Lot 9, Block 4, TRACT NO. 1065, IRISH BEND, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Bailey

The East 517.5 feet of the West 1035.0 feet of Lot 2, Block 8, Measured along South line of said Lot, Klamath Falls Forest Estates Sycan Unit, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Dishno 1

Portion of Lot 3 Block 11 Klamath Falls Estates Sycan Unit. Beginning Easterly corner Lot 3, Block 11, thence Southerly along Easterly line 1000' thence N34°02'28" W400'; thence N35°57'32" E 1000'; thence S54°02'28" E 400' to point of beginning. Lot 3B Block 11.

Dishno 2

Portion of Lot 3 Block 11 Klamath Falls Estates Sycan Unit. Beginning at a point from which the most easterly corner bears N 35°57'32" E 1000', thence N 54°02'28" W 400', thence S 35°57'32" W. To a point on the southerly line of said Lot 3, thence S 46°15'40" E to the most southerly corner, thence N 35°57'32" E 912.5' to point of beginning Lot 3C Block 11.

STATE OF OREGON, COUNTY OF KLAMATH

Filed for record at request of South Valley Bank the 22nd day of May, A.D. 1997 at 11:16 o'clock P.M. and duly recorded in Vol. M97 of Mortgages on Page 15722.

Renata G. Leisch, County Clerk

FEE \$30.00