

76501

RECORDATION REQUESTED BY:

South Valley Bank & Trust
P O Box 5210
Klamath Falls, OR 97601

99 MAR 18 P3:29

Vol. 1199 Page 9688

WHEN RECORDED MAIL TO:

South Valley Bank & Trust
P O Box 5210
Klamath Falls, OR 97601

ATTN: Tammy

SEND TAX NOTICES TO:

Ernst Brothers LLC
P O Box 537
Gilchrist, OR 97737

AMERITITLE has recorded this instrument by request as an accommodation only, and has not examined it for regularity and sufficiency or as to its effect upon the title to any real property that may be described therein.

MTC 1396-9800

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST IS DATED FEBRUARY 28, 1999, BETWEEN Ernst Brothers LLC, an Oregon limited liability company, an estate in fee simple (referred to below as "Grantor"), whose address is P O Box 537, Gilchrist, OR 97737; and South Valley Bank & Trust (referred to below as "Lender"), whose address is P O Box 5210, Klamath Falls, OR 97601.

DEED OF TRUST. Grantor and Lender have entered into a Deed of Trust dated May 28, 1997 (the "Deed of Trust") recorded in Klamath County, State of Oregon as follows:

Recorded in the Klamath County Official Records on June 4, 1997 in Volume M97, page 17107, microfilm #38724.

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 F

The Real Property or its address is commonly known as Gilchrist Townsite, Gilchrist, OR 97737.

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

Increase the Principal Credit Limit of Note # 530090289 to \$1,000,000.00, and Extend the Maturity Date on Note #530090289 to July 30, 1999.

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 endorses 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:

Ernst Brothers LLC

By: Wayne G Ernst, Manager

LENDER:

South Valley Bank & Trust

By: Authorized Officer

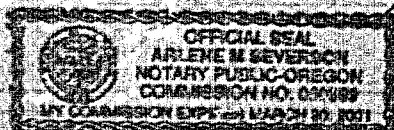
LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF OregonCOUNTY OF Klamath

On this 15th day of March, 1999, before me, the undersigned Notary Public, personally appeared Wayne G Ernst, member of Ernst Brothers LLC, and known to me to be a member or designated agent of the limited liability company that executed the Modification of Deed of Trust and acknowledged the Modification to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, 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 limited liability company.

By: Wayne G Ernst, Manager
Notary Public in and for the State of Oregon

Residing at: Klamath Falls, OR
My commission expires: 3/30/2001



LENDER ACKNOWLEDGMENT

MODIFICATION OF DEED OF TRUST

2028

EXHIBIT F

LOTS 1, 2, 4, 8, 10, 11, 12, 13, 15, 17, 18, 21, 22, 32, 38, 41, 42, 43, 53, 55,
56, 70, 71, 73, 74, 75, 76, 78, 79, 80, 81, 82, 83, 84, 85, 91, 97, 101, 108,
109, 112, 114, 115, 117, 118, 119, 120, 121, 122, 123, 124, 126, 130, 131,
132, 133, 134, 136, AND 141 IN TRACT 1318, GILCHRIST TOWNSITE,
KLAMATH COUNTY, OREGON.

STATE OF OREGON : COUNTY OF KLAMATH ss.

Filed for record at request of Amerititle the 18th day
of March A.D. 1999 at 3:29 o'clock P. M. and duly recorded in Vol. M99
of Mortgages on Page 9688

Linda Smith, County Clerk

FEE \$20.00

by Kathleen Ross