

RECORDATION REQUESTED BY:

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

200 AUG -4 PM 3: 24

Vol M00 Page 28753

WHEN RECORDED MAIL TO:

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

SEND TAX NOTICES TO:

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

MTL 1396-1999

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated July 31, 2000, is made and executed between Peggy J. Biaggi and Matthew C. Biaggi ("Grantor") and South Valley Bank & Trust, Commercial Branch, P O Box 5210, Klamath Falls, OR 97601 ("Lender").

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated May 25, 1999 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded June 3, 1999 Volume M99, page 22053 in the records of Klamath County, Oregon.

REAL PROPERTY DESCRIPTION. The Deed of Trust covers the following described real property located in Klamath County, State of Oregon:

See attached Exhibit "A" and by this reference incorporated herein

The Real Property or its address is commonly known as 17000 W. Langell Valley Rd., Bonanza, OR 97623. The Real Property tax identification number is 4013-0000-06500-000.

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

Extend the maturity date to September 1, 2000.

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.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF DEED OF TRUST AND GRANTOR AGREES TO ITS TERMS. THIS MODIFICATION OF DEED OF TRUST IS DATED JULY 31, 2000.

GRANTOR:

x Peggy J. Biaggi
Peggy J. Biaggi, Individually

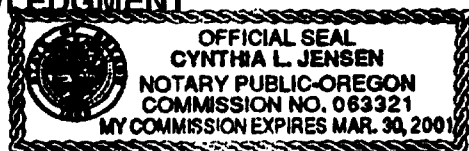
x Matthew C. Biaggi
Matthew C. Biaggi, Individually

LENDER:

x Hal Sturgeon
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF OREGON)
) SS
COUNTY OF KLAMATH)



On this day before me, the undersigned Notary Public, personally appeared Peggy J. Biaggi and Matthew C. Biaggi, to me known to be the individuals described in and who executed the Modification of Deed of Trust, and acknowledged that they signed the Modification as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 31st day of July, 20 00.

By Cynthia L. Jensen

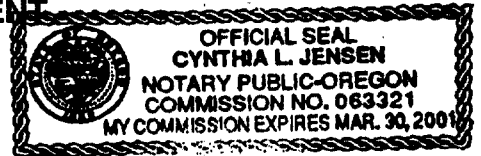
Residing at Klamath Falls

Notary Public in and for the State of Oregon

My commission expires 3/30/2001

3/12

LENDER ACKNOWLEDGMENT



STATE OF OREGON)
) SS
COUNTY OF KLAMATH)

On this 31st day of July, 20 00, before me, the undersigned Notary Public, personally appeared Nal Sturgeon and known to me to be the Branch Manager, 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 Cynthia L Jensen
Notary Public in and for the State of Oregon

Residing at Klamath Falls
My commission expires 3/30/2001

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 1

Township 40 South, Range 13 East of the Willamette Meridian

Section 23: SE1/4

Section 26: E1/2 NW1/4, N1/2 SW1/4, NE1/4, N1/2 SE1/4 and portion of the W1/2 NW1/4 described as follows:

Beginning at a point 1020 feet East of the corner common to Sections 22, 23, 26 and 27, all in Township 40 South, Range 13 East of the Willamette Meridian, thence Southerly and Easterly 1500 feet, more or less, to a point where said course intersects the East line of the SW1/4 NW1/4 of Section 26, thence North along said subdivision line to the Northeast corner of the NW1/4 NW1/4 of said Section 26, thence West 300 feet to the point of beginning.

PARCEL 2

Township 40 South, Range 13 East of the Willamette Meridian

Section 25: NW1/4, W1/2 NE1/4, and all that portion of the E1/2 NE1/4 lying Westerly of the Lost River Diversion Channel.

EXCEPTING THEREFROM: That portion lying within the main drain as conveyed to the United States of America by deed recorded October 23, 1927 in Volume 79, page 131, Deed Records of Klamath County, Oregon and by deed recorded January 22, 1929 in Volume 85, page 186, Deed Records of Klamath County, Oregon.

State of Oregon, County of Klamath
Recorded 08/04/00, at 3:24 p. m.
In Vol. M00 Page 28753
Linda Smith,
County Clerk Fee\$ 21.00