

RECORDATION REQUESTED BY:

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

2001 FEB -6 AM 11:20

Vol MQ1 Page 4805

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

mtc 1396-2476

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated September 29, 2000, is made and executed between Peggy J. Blaggi, Matthew C. Blaggi and Jenine M. Newelle aka Jenine M. Coelho, as Tenants in Common ("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 April 10, 1998 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded May 7, 1998 in Book 98, page 15481 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:

The W 1/2 SE 1/4 of Section 32, Township 37 South, Range 11 1/2 East of the Willamette Meridian, Klamath County, Oreogn

The Real Property or its address is commonly known as Bonanza, OR 97623. The Real Property tax identification number is 3711-V000-06100.

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

Extend the maturity date to July 30, 2001.

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.

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 SEPTEMBER 29, 2000.

GRANTOR:

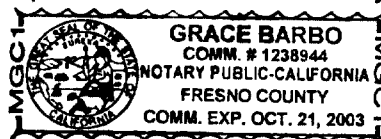
x Jenine M. Coelho
Jenine M. Coelho, Individually

x Matthew C. Blaggi
Matthew C. Blaggi, Individually

x Peggy J. Blaggi
Peggy J. Blaggi, Individually
State of California)
County of Fresno) ss
Subscribed and sworn to (or affirmed)
before me on 1/31/01
Grace Barbo Notary Public

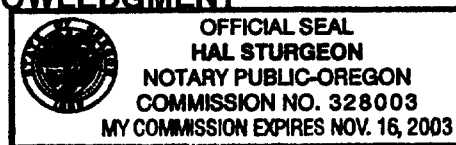
LENDER:

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 Jenine M. Coelho; Peggy J. Blaggi; and Matthew C. Blaggi, 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 30th day of October, 2000.

By Hal Sturgeon

Residing at Klamath Falls

Notary Public in and for the State of Oregon

My commission expires Nov 16, 2003

MODIFICATION OF DEED OF TRUST
(Continued)

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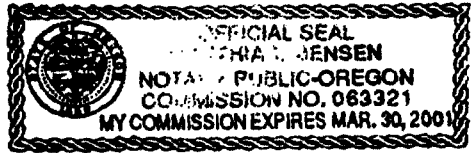
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LENDER ACKNOWLEDGMENT

STATE OF OREGON)

) SS

COUNTY OF KLAMATH)



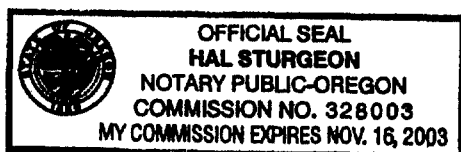
On this 30th day of October, 2000, before me, the undersigned Notary Public, personally appeared Hal Sturgeon and known to me to be the Loan Officer authorized agent for the Lender that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and 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 Cynthia L. Jensen
Notary Public in and for the State of Oregon

Residing at Klamath Falls
My commission expires 3/30/01

State of Oregon
County of Klamath

This instrument was acknowledged before me on October 31, 2000
By Matthew C. Biaggi.



Hal Sturgeon
My commission expires: Nov. 16, 2003

This notary certificate is prepared on a separate page and is attached to the document entitled Modification of Daryl Trust containing 2 pages and is attached to that document by means of staple.

State of Oregon, County of Klamath
Recorded 02/06/01, at 11:20 a.m.
In Vol. M01 Page 4805
Linda Smith,
County Clerk Fee \$ 31.00