

RECORDATION REQUESTED BY:

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

Vol M01 Page 33137

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
1396-2925

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated June 26, 2001, is made and executed between Leo F. McKoen Jr. DBA: McKoen & Son ("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 13, 2000 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded in the Clerks office of Klamath County, State of Oregon on June 22, 2000 in Volume M00 at page 22773.

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

See the exhibit or other description document which is attached to this Modification and made a part of this Modification as if fully set forth herein.

The Real Property or its address is commonly known as Cellar, Merrill, OR 97623.

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

Extend the maturity date to December 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 JUNE 26, 2001.

GRANTOR:

x Leo F. McKoen Jr.
Leo F. McKoen Jr. DBA: McKoen & Son, Individually

LENDER:

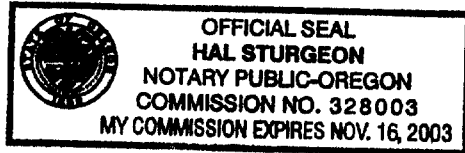
x Hal Sturgeon
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon

COUNTY OF Klamath

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) SS
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On this day before me, the undersigned Notary Public, personally appeared Leo F. McKoen Jr. DBA: McKoen & Son, to me known to be the individual described in and who executed the Modification of Deed of Trust, and acknowledged that he or she signed the Modification as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 29th day of June, 2001.

By Hal Sturgeon

Residing at Klamath Falls

Notary Public in and for the State of Oregon

My commission expires Nov 16, 2003

LENDER ACKNOWLEDGMENT

STATE OF Oregon

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COUNTY OF Klamath

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On this 29th day of June, 20 01, before me, the undersigned Notary Public, personally appeared HAL STURGEON and known to me to be the LOAN 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 Tammy L. Strop
Notary Public in and for the State of Oregon

Residing at 803 Main St. K40 97601
My commission expires April 14, 2002

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State of Oregon, County of Klamath
Recorded 07/09/01 at 11:11a m.
In Vol. M01 Page 33137
Linda Smith,
County Clerk Fee \$ 26⁰⁰

APR 09 2001 11:11 AM 33138