

RECORDATION REQUESTED BY:

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

Vol M01 Page 47122

WHEN RECORDED MAIL TO:

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

Attn. Cyndy J.

SEND TAX NOTICES TO:

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

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

1396-3141 AMT

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated August 30, 2001, 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 maturity date to July 30, 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 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 AUGUST 30, 2001.

GRANTOR:

x Peggy J. Biaggi
Peggy J. Biaggi, Individually

x Matthew C. Biaggi
Matthew C. Biaggi, Individually

LENDER:

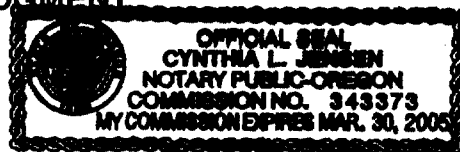
x Hil Stangor
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon

COUNTY OF Klamath

)
) SS
)



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 30th day of August, 2001.

By Cynthia L. Jensen Residing at Klamath Falls

Notary Public in and for the State of Oregon My commission expires 3/30/05

LENDER ACKNOWLEDGMENT

STATE OF Oregon)
COUNTY OF Klamath) SS



On this 30th day of August, 20 01, 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 Residing at Klamath Falls
Notary Public in and for the State of Oregon My commission expires 3/30/05

47124

Real Property on which UCC Collateral may be located:

Rattle Snake Springs, Bonanza, 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, Oregon.

Kandra Road, Tulelake, California All that real property situate in the County of Siskiyou, State of California, described as follows:

Farm Unit "P" according to the Farm Unit Plat, or the Lot 6 and the Southeast quarter of the Southeast quarter of Section 21, the Lot 3 of Section 22 in Township 48 North of Range 4 East of the Mount Diablo Meridian, California; and the Northerly 40 acres of Farm Unit "Q", or the Southwest quarter of the Southeast quarter of Section 21, Township 48 North, Range 4 East, Mount Diablo Meridian of California.

AND

Tehama County Located in the Unincorporated area:

Southeast Quarter of the Southwest quarter and the South half of Southeast quarter of Section 8.

South half of Southwest quarter, South half of Southwest quarter of Southeast quarter, North half of Southwest quarter of Southeast quarter, all being in Section 9.

North half of North half, Southeast quarter of Northeast quarter, Northeast quarter of Southeast quarter of Section 16.

Northwest quarter of Northeast quarter, of Section 17.

All in Township 24 North, Range 6 West, Mount Diablo Meridian, according to the official plat thereof.

LANGELL VALLEY RANCH:

PARCEL 1: Township 40 South, Range 13 East of the Willamette Meridian
 Section 23: SE 1/4
 Section 26: E 1/4 NW 1/4, N 1/4 SW 1/4, NE 1/4, N 1/4 SE 1/4 and portion of the W 1/4 NW 1/4 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 E.W.M., thence Southerly and Easterly 1500 feet, more or less, to a point where said course intersects the East line of the SW 1/4 NW 1/4 of Section 26, thence North along said subdivision line to the Northeast corner of the NW 1/4 NW 1/4 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: NW 1/4, W 1/4 NE 1/4, and all that portion of the E 1/4 NE 1/4 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, and by deed recorded January 22, 1929, in Volume 85 page 186, Deed Records of Klamath County, Oregon.

TOGETHER WITH: The following perpetual easements, to run with the land, for the construction, repair, maintenance and joint use of irrigation ditches for irrigation purposes:

- (a) An easement 30 feet wide extending East from Langell Valley West Side Irrigation Canal along the North side of the South section line of Sections 23 and 24 of Township 40 South, Range 13 East of the Willamette Meridian, a distance of 6400 feet, more or less, to Lost River Diversion Channel.
- (b) An easement 30 feet wide extending East from Langell Valley West Side Irrigation Canal along the South line of the N 1/4 NW 1/4 of Section 26, Township 40 South, Range 13 East of the Willamette Meridian, a distance of 1790 feet, more or less, to the West side of the herein described property.
- (c) An easement 30 feet wide extending East from Langell Valley West Side Irrigation Canal along the North side of the East-West center line of Section 26, Township 40 South, Range 13 East of the Willamette Meridian, a distance of 1525 feet, more or less, to the Southwest corner of the herein described property.

This Exhibit "A" is attached to and by this reference is made a part of each Security Agreement dated AUGUST 30, 2001 and executed in connection with a loan or other financial accommodations between South Valley Bank & Trust and Swan Lake Feeders, Inc.

State of Oregon, County of Klamath
 Recorded 09/17/01 at 11:22 a.m.
 In Vol. M01 Page 47122
 Linda Smith,
 County Clerk Fee\$ 26⁰⁰