

RECORDATION REQUESTED BY:

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

Vol M01 Page 48895

WHEN RECORDED MAIL TO:

South Valley Bank & Trust
Commercial Branch *Attn: Cyndy*
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 1396-3160

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated September 9, 2001, is made and executed between Merlin Fjarli ("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 September 8, 1998 (the "Deed of Trust") which has been recorded in Klamath County, State of Oregon, as follows:

Recorded September 21, 1998 in Volume M98, Page 34553 in 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 Exhibit "A" and by this reference incorporated herein

The Real Property or its address is commonly known as 4100 Washburn Way, Klamath Falls, OR 97603. The Real Property tax identification number is 3909-009D0-00200, 3909-009D0-00300.

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

Extend maturity date to September 9, 2011 and change to Term Loan.

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 9, 2001.

GRANTOR:

x *Merlin Fjarli*
Merlin Fjarli, Individually

AMERITITLE, has recorded this instrument by request as an accomodation 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.

LENDER:

x *[Signature]*
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon)
) SS
COUNTY OF Jackson)

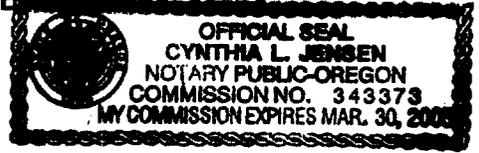


On this day before me, the undersigned Notary Public, personally appeared Merlin Fjarli, Merlin Fjarli, to me known to be the individual described in and who executed the Modification of Deed of Trust, and acknowledged that he or she signed the Modification as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 19th day of September, 2001.
By Cindy H. Smith Residing at Medford OR
Notary Public in and for the State of Oregon My commission expires 04-05-04

LENDER ACKNOWLEDGMENT

STATE OF Oregon)
)
COUNTY OF Klamath) SS
)



On this 24th day of September, 2001, before me, the undersigned Notary Public, personally appeared Kirth Glick 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 3/30/2005

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State of Oregon, County of Klamath
Recorded 09/25/01 at 3:55 P. m.
In Vol. M01 Page 488AS
Linda Smith,
County Clerk Fee \$ 26.00

SEP 25 2001 1:00 PM
48896